

QISDA CORPORATION AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2021 and 2020

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
Qisda Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Qisda Corporation and its subsidiaries (the "Group") as of September 30, 2021 and 2020, and the related consolidated statements of comprehensive income (loss) for the three-month periods ended September 30, 2021 and 2020, and for the nine-month periods ended September 30, 2021 and 2020, as well as the consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Note 4(b) to the consolidated financial statements, the accompanying consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$24,658,161 thousand and \$21,855,843 thousand, constituting 13.62% and 13.49% of the consolidated total assets; as well as the total liabilities amounting to \$9,834,892 thousand and \$9,368,861 thousand, constituting 8.08% and 9.10% of the consolidated total liabilities as of September 30, 2021 and 2020, respectively; and also, the total comprehensive income amounting to \$509,685 thousand, \$452,271 thousand, \$936,082 thousand and \$193,295 thousand, constituting 35.54%, 17.44%, 17.56% and 5.64% of the consolidated total comprehensive income for the three-month periods ended September 30, 2021 and 2020, and for the nine-month periods ended September 30, 2021 and 2020, respectively.

Furthermore, as described in Note 6(h) to the consolidated financial statements, the investments accounted for using the equity method amounted to \$923,588 thousand and \$1,305,015 thousand as of September 30, 2021 and 2020, respectively, and the share of profits (losses) of associates and joint ventures amounted to \$7,134 thousand, \$(9,492) thousand, \$19,756 thousand and \$9,663 thousand for the three-month periods ended September 30, 2021 and 2020, and for the nine-month periods ended September 30, 2021 and 2020, respectively. These amounts were based on the unreviewed financial statements of the investee companies.

Qualified Conclusion

Based on our reviews and the review reports of other auditors (please refer to Other Matter paragraph), except for the adjustment, if any, as might have been determined to be necessary had the financial statements of certain non-significant consolidated subsidiaries and equity-method investments described in the Basis for Qualified Conclusion paragraph been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2021 and 2020, and its consolidated financial performance for the three-month periods ended September 30, 2021 and 2020 and for the nine months periods ended September 30, 2021 and 2020, as well as its consolidated cash flows for the nine-month periods ended September 30, 2021 and 2020, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain subsidiaries of the Group. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements relative to these subsidiaries, is based solely on the reports of other auditors. The financial statements of these subsidiaries reflect the total assets amounting to \$5,701,710 thousand and \$11,807,079 thousand, constituting 3.15% and 7.29% of the consolidated total assets as of September 30, 2021 and 2020, respectively, and the total operating revenues amounting to \$1,576,203 thousand, \$2,732,288 thousand, \$3,547,227 thousand and \$7,964,321 thousand, constituting 2.76%, 5.29%, 2.16% and 5.92% of the consolidated operating revenues for the three-month periods ended September 30, 2021 and 2020, and for the nine-month periods ended September 30, 2021 and 2020, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Huei-Chen Chang and Wei-Ming Shih.

KPMG

Taipei, Taiwan (Republic of China)
November 12, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2021 and 2020

OISDA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2021, December 31 and September 30, 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2021		December 31, 2020		September 30, 2020				September 30, 2021		December 31, 2020		September 30, 2020			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:																	
1100	Cash and cash equivalents (note 6(a))	\$	16,830,176	9	22,540,418	13	17,902,675	11	2100	Short-term borrowings (notes 6(n) and 8)	\$	31,332,287	17	21,131,930	12	24,118,555	15
1110	Financial assets at fair value through profit or loss—current (notes 6(b) and (p))		176,982	-	389,043	-	278,136	-	2120	Financial liabilities at fair value through profit or loss—current (note 6(b))		62,345	-	139,661	-	51,027	-
1120	Financial assets at fair value through other comprehensive income—current (note 6(c))		100,959	-	96,281	-	130,260	-	2130	Contract liabilities—current (note 6(y))		2,303,002	1	1,862,107	1	2,074,188	2
1170	Notes and accounts receivable, net (notes 6(d) and (y) and 8)		30,472,923	17	33,221,557	19	33,292,563	21	2170	Notes and accounts payable		37,065,973	21	38,398,784	23	34,265,044	21
1181	Notes and accounts receivable from related parties (notes 6(d) and (y) and 7)		3,257,876	2	3,280,369	2	2,638,561	2	2180	Accounts payable to related parties (note 7)		1,480,821	1	2,127,536	1	1,998,928	1
1200	Other receivables (notes 6(d) and (e) and 7)		733,201	-	675,888	-	647,137	1	2200	Other payables (notes 6(z))		11,136,213	6	12,015,217	7	10,353,411	6
1210	Other receivables from related parties (notes 6(d) and (e) and 7)		301,406	-	302,399	-	298,366	-	2220	Other payables to related parties (note 7)		274,214	-	16,151	-	51,340	-
130X	Inventories (notes 6(f) and 8)		47,994,397	27	35,139,333	21	32,710,990	20	2230	Current tax liabilities		2,039,061	1	1,316,090	1	1,202,855	1
1470	Other current assets		3,299,941	2	3,076,818	2	3,217,804	2	2260	Liabilities related to non-current assets held for sale (note 6(g))		-	-	358,207	-	-	-
1476	Other financial assets—current (notes 6(a) and 8)		6,720,048	4	2,709,546	2	3,730,292	2	2300	Other current liabilities		600,825	-	796,592	1	843,514	1
1461	Non-current assets held for sale (note 6(g))		326,529	-	892,117	1	120,715	-	2365	Refund liabilities—current		3,063,706	2	2,340,052	1	2,106,478	1
	Total current assets		110,214,438	61	102,323,769	60	94,967,499	59	2321	Current portion of bonds payable (notes 6(p))		459,813	-	526,507	-	-	-
Non-current assets:																	
1510	Financial assets at fair value through profit or loss—non-current (note 6(b))		328,257	-	173,731	-	26,350	-	2322	Current portion of long-term debt (notes 6(o) and 8)		687,132	1	536,537	-	411,387	-
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(c) and 8)		14,068,984	8	1,381,399	1	1,433,139	1	2280	Lease liabilities—current (notes 6(q) and 7)		456,401	-	455,040	-	466,317	-
1550	Investments accounted for using the equity method (notes 6(h) and 8)		3,320,624	2	16,308,434	10	15,318,266	9	2250	Provisions—current (note 6(r))		781,766	1	808,823	1	774,752	1
1600	Property, plant and equipment (notes 6(j) and 8)		31,855,087	17	30,188,228	18	29,545,527	18		Total current liabilities		91,743,559	51	82,829,234	48	78,717,796	49
1755	Right-of-use assets (notes 6(k) and 8)		4,491,047	2	4,706,556	3	4,860,885	3	2503	Financial liabilities at fair value through profit or loss—non-current (notes 6(b) and (p))		91,292	-	78,123	-	90,514	-
1760	Investment property (notes 6(l) and 8)		3,434,863	2	3,561,030	2	3,557,220	2	2530	Bonds payable (notes 6(p) and 8)		-	-	-	-	578,356	-
1780	Intangible assets (notes 6(i) and (m))		10,201,865	6	9,118,895	5	9,268,933	6	2540	Long-term debt (notes 6(o) and 8)		24,589,614	13	22,366,798	13	17,188,907	11
1840	Deferred income tax assets		1,670,551	1	1,727,832	1	1,840,338	1	2580	Lease liabilities—non-current (notes 6(q) and 7)		1,396,554	1	1,565,596	1	1,674,244	1
1900	Other non-current assets		196,872	-	358,923	-	181,081	-	2550	Provisions—non-current (notes 6(r))		667,591	-	687,601	-	660,916	-
1980	Other financial assets—non-current (note 8)		1,234,776	1	963,152	-	981,898	1	2570	Deferred income tax liabilities		1,774,209	1	1,674,510	1	1,525,746	1
	Total non-current assets		70,802,926	39	68,488,180	40	67,013,637	41	2670	Other non-current liabilities		1,397,808	1	2,646,867	2	2,535,456	2
										Total non-current liabilities		29,917,068	16	29,019,495	17	24,254,139	15
										Total liabilities		121,660,627	67	111,848,729	65	102,971,935	64
Equity attributable to shareholders of the Company (notes 6(c) and (i) and (v)):																	
									3110	Common stock		19,667,820	11	19,667,820	12	19,667,820	12
									3260	Capital surplus		1,790,509	1	1,879,501	1	1,905,219	1
									3300	Retained earnings		19,654,724	11	15,742,825	9	14,420,088	9
									3400	Other equity		(4,973,822)	(3)	(1,264,645)	(1)	(1,237,048)	(1)
										Total equity attributable to shareholders of the Company		36,139,231	20	36,025,501	21	34,756,079	21
									36XX	Non-controlling interests (note 6(v))		23,217,506	13	22,937,719	14	24,253,122	15
										Total equity		59,356,737	33	58,963,220	35	59,009,201	36
	Total assets	\$	181,017,364	100	170,811,949	100	161,981,136	100		Total liabilities and equity	\$	181,017,364	100	170,811,949	100	161,981,136	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the three months ended				For the nine months ended			
	September 30				September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues (notes 6(y), 7 and 14)	\$ 57,201,144	100	51,694,509	100	164,088,700	100	134,567,447	100
5000 Operating costs (notes 6(f), (j), (k), (m), (q), (t) and (z), 7 and 12)	(48,885,463)	(85)	(44,211,091)	(86)	(140,013,337)	(85)	(115,890,885)	(86)
Gross profit	8,315,681	15	7,483,418	14	24,075,363	15	18,676,562	14
Operating expenses (notes 6(d), (j), (k), (l), (m), (q), (t) and (z), 7 and 12):								
6100 Selling expenses	(3,299,640)	(6)	(2,802,219)	(5)	(9,427,195)	(6)	(7,527,325)	(6)
6200 Administrative expenses	(1,491,164)	(3)	(1,316,243)	(2)	(4,440,558)	(3)	(3,264,144)	(2)
6300 Research and development expenses	(1,541,984)	(3)	(1,356,024)	(3)	(4,646,253)	(3)	(3,375,471)	(3)
6450 Reversal of impairment loss (expected credit loss)	(1,120)	-	41,676	-	45,267	-	12,731	-
Total operating expenses	(6,333,908)	(12)	(5,432,810)	(10)	(18,468,739)	(12)	(14,154,209)	(11)
Operating income	1,981,773	3	2,050,608	4	5,606,624	3	4,522,353	3
Non-operating income and loss:								
7100 Interest income (note 6(aa))	64,021	-	67,173	-	203,787	-	228,581	-
7010 Other income (notes 6(o) and (aa))	318,633	1	90,843	-	374,274	-	148,696	-
7020 Other gains and losses—net (notes 6(g), (h), (i), (m), (q),(aa) and (ab) and 7)	268,679	-	646,539	1	3,811,196	2	1,276,211	1
7050 Finance costs (notes 6(q) and (aa) and 7)	(170,935)	-	(179,180)	-	(506,480)	-	(602,064)	-
7060 Share of profits (losses) of associates and joint ventures (note 6(h))	85,334	-	275,432	1	1,485,352	1	(156,240)	-
Total non-operating income and loss	565,732	1	900,807	2	5,368,129	3	895,184	1
Income before income tax	2,547,505	4	2,951,415	6	10,974,753	6	5,417,537	4
7950 Less: Income tax expense (note 6(u))	(594,001)	(1)	(473,311)	(1)	(2,024,701)	(1)	(1,335,063)	(1)
Net income	1,953,504	3	2,478,104	5	8,950,052	5	4,082,474	3
Other comprehensive income (loss):								
8310 Items that will not be reclassified subsequently to profit or loss								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(v) and (ab))	(3,243,553)	(6)	(25,579)	-	(3,117,075)	(2)	(30,351)	-
8320 Share of other comprehensive income (loss) of associates (notes 6(h) and (v))	(25,768)	-	25,185	-	(288)	-	(86,909)	-
8349 Less: income tax related to items that will not be reclassified subsequently to profit or loss (note 6(u))	8,547	-	-	-	109,341	-	-	-
	(3,277,868)	(6)	(394)	-	(3,226,704)	(2)	(117,260)	-
8360 Items that may be reclassified subsequently to profit or loss								
8361 Exchange differences on translation of foreign operations (note 6(v))	(113,821)	-	65,934	-	(285,957)	-	(412,809)	-
8370 Share of other comprehensive loss of associates and joint ventures (notes 6(h) and (v))	4,010	-	49,767	-	(105,343)	-	(126,585)	-
8399 Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	(109,811)	-	115,701	-	(391,300)	-	(539,394)	-
Other comprehensive income (loss) for the period, net of income tax	(3,387,679)	(6)	115,307	-	(3,618,004)	(2)	(656,654)	-
Total comprehensive income (loss) for the period	\$ (1,434,175)	(3)	2,593,411	5	5,332,048	3	3,425,820	3
Net income attributable to:								
8610 Shareholders of the Company	\$ 1,395,322	2	2,046,125	4	7,312,256	4	3,227,295	2
8620 Non-controlling interests	558,182	1	431,979	1	1,637,796	1	855,179	1
	\$ 1,953,504	3	2,478,104	5	8,950,052	5	4,082,474	3
Total comprehensive income attributable to:								
8710 Shareholders of the Company	\$ (1,963,921)	(4)	2,087,184	4	3,781,484	2	2,602,640	2
8720 Non-controlling interests	529,746	1	506,227	1	1,550,564	1	823,180	1
	\$ (1,434,175)	(3)	2,593,411	5	5,332,048	3	3,425,820	3
Earnings per share (in New Taiwan Dollars) (note 6(x)):								
9750 Basic earnings per share	\$ 0.71		1.04		3.72		1.64	
9850 Diluted earnings per share	\$ 0.70		1.03		3.65		1.62	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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QISDA CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Company											
	Retained earnings						Other equity interest					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity interest	Total equity of the Company	Non-controlling interests
Balance at January 1, 2020	\$ 19,667,820	2,220,653	1,826,479	168,422	10,669,093	12,663,994	(657,512)	410,052	(361,048)	(608,508)	33,943,959	14,091,635
Net income for the period	-	-	-	-	3,227,295	3,227,295	-	-	-	-	3,227,295	855,179
Other comprehensive loss for the period	-	-	-	-	-	-	(510,359)	(114,296)	-	(624,655)	(624,655)	(31,999)
Total comprehensive income for the period	-	-	-	-	3,227,295	3,227,295	(510,359)	(114,296)	-	(624,655)	2,602,640	823,180
Appropriation of earnings:												
Legal reserve	-	-	357,505	-	(357,505)	-	-	-	-	-	-	-
Special reserve	-	-	-	440,086	(440,086)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(1,475,086)	(1,475,086)	-	-	-	-	(1,475,086)	-
Changes in equity of associates and joint ventures accounted for using the equity method	-	(149,295)	-	-	-	-	-	-	-	-	(149,295)	4,630
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	3,885	3,885	-	(3,885)	-	(3,885)	-	-
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(953,794)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	143,696
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	(114,527)	-	-	-	-	-	-	-	-	(114,527)	(357,512)
Changes in ownership interests in subsidiary	-	(51,612)	-	-	-	-	-	-	-	-	(51,612)	51,612
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	7,229
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	10,442,446
Balance at September 30, 2020	\$ 19,667,820	1,905,219	2,183,984	608,508	11,627,596	14,420,088	(1,167,871)	291,871	(361,048)	(1,237,048)	34,756,079	24,253,122
Balance at January 1, 2021	\$ 19,667,820	1,879,501	2,183,984	608,508	12,950,333	15,742,825	(1,413,867)	571,329	(422,107)	(1,264,645)	36,025,501	22,937,719
Net income for the period	-	-	-	-	7,312,256	7,312,256	-	-	-	-	7,312,256	1,637,796
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(304,372)	(3,226,295)	(105)	(3,530,772)	(3,530,772)	(87,232)
Total comprehensive income for the period	-	-	-	-	7,312,256	7,312,256	(304,372)	(3,226,295)	(105)	(3,530,772)	3,781,484	1,550,564
Appropriation of earnings:												
Legal reserve	-	-	455,392	-	(455,392)	-	-	-	-	-	-	-
Special reserve	-	-	-	656,137	(656,137)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(2,950,173)	(2,950,173)	-	-	-	-	(2,950,173)	-
Changes in equity of associates and joint ventures accounted for using equity method	-	(96,938)	-	-	-	-	-	-	-	-	(96,938)	1,057
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,242,494)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	77,547
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	-	-	-	(628,589)	(628,589)	-	-	-	-	(628,589)	(1,322,949)
Changes in ownership interests in subsidiaries	-	7,946	-	-	-	-	-	-	-	-	7,946	(7,946)
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	5,849
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,218,159
Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	178,405	178,405	-	(178,405)	-	(178,405)	-	-
Balance at September 30, 2021	\$ 19,667,820	1,790,509	2,639,376	1,264,645	15,750,703	19,654,724	(1,718,239)	(2,833,371)	(422,212)	(4,973,822)	36,139,231	23,217,506

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2021	2020
Cash flows from operating activities:		
Income before income tax	\$ 10,974,753	5,417,537
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	2,818,220	2,327,333
Amortization	718,113	425,382
Reversal of impairment loss	(45,267)	(12,731)
Interest expense	506,480	602,064
Interest income	(203,787)	(228,581)
Dividend income	(283,347)	(61,778)
Share-based compensation cost	5,849	7,229
Share of losses (profits) of associates and joint ventures	(1,485,352)	156,240
Loss on disposal of property, plant and equipment	30,091	1,385
Gain on disposal of non-current assets and the related liabilities held for sale	(449,570)	-
Gain on disposal of investments	(2,978,378)	(691,648)
Impairment loss on intangible assets	-	6,585
Impairment loss on investments accounted for using equity method	6,632	-
Total adjustments to reconcile profit	(1,360,316)	2,531,480
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(33,399)	(105,304)
Decrease in notes and accounts receivable	3,356,617	1,825,631
Decrease (increase) in notes and accounts receivable from related parties	22,493	(242,755)
Decrease (increase) in other receivables	45,947	(33,353)
Decrease (increase) in other receivables from related parties	993	(13,916)
Decrease (increase) in inventories	(11,619,075)	2,935,660
Increase in other current assets	(171,002)	(477,821)
Decrease in other non-current assets	186,795	62,650
Net changes in operating assets	(8,210,631)	3,950,792
Changes in operating liabilities:		
Decrease in financial liabilities at fair value through profit or loss	(87,445)	(13,671)
Decrease in notes and accounts payable	(2,481,101)	(1,543,699)
Increase (decrease) in accounts payable to related parties	(646,715)	154,638
Increase in other payables to related parties	258,063	33,952
Increase (decrease) in provisions	(47,067)	180,950
Increase in contract liabilities	400,744	41,234
Decrease in other payables and other current liabilities	(961,259)	(850,640)
Decrease in other non-current liabilities	(30,612)	(23,682)
Net changes in operating liabilities	(3,595,392)	(2,020,918)
Total changes in operating assets and liabilities	(11,806,023)	1,929,874
Total adjustments	(13,166,339)	4,461,354
Cash provided by operations	(2,191,586)	9,878,891
Interest received	152,906	207,128
Dividends received	474,217	367,769
Interest paid	(519,243)	(684,341)
Income taxes paid	(1,257,544)	(716,313)
Net cash provided by (used in) operating activities	(3,341,250)	9,053,134

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the nine months ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2021	2020
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	\$ (69,187)	(61,500)
Proceeds from disposal of financial assets at fair value through other comprehensive income	312,579	26,910
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	6,667
Purchase of financial assets at fair value through profit or loss	(100,000)	(364,000)
Proceeds from disposal of financial assets at fair value through profit or loss	167,917	929,420
Purchase of investments accounted for using the equity method	(9,480)	(651,301)
Proceeds from disposal of investments accounted for using the equity method	1,166,166	20,000
Proceeds from disposal of subsidiaries	46,246	-
Proceeds from disposal of non-current assets and related liabilities held for sale	783,641	-
Additions to property, plant and equipment	(3,931,051)	(2,815,662)
Proceeds from disposal of property, plant and equipment	299,104	77,408
Additions to intangible assets	(420,307)	(145,286)
Additions to investment property	-	(100)
Decrease (increase) in other financial assets	(4,060,372)	655,732
Net cash received (paid) for acquisition of subsidiaries	(702,074)	1,952,767
Net cash flows used in investing activities	(6,516,818)	(368,945)
Cash flows from financing activities:		
Increase in short-term borrowings	13,831,174	5,549,460
Repayments of short-term borrowings	(3,862,683)	(4,441,237)
Increase in long-term debt	9,281,788	10,607,063
Repayments of long-term debt	(6,981,989)	(10,225,571)
Decrease in guarantee deposits received	(1,218,350)	(65,665)
Payment of lease liabilities	(396,549)	(345,603)
Cash dividends distributed to shareholders	(2,950,173)	(1,475,086)
Cash dividends paid to non-controlling interests	(1,242,494)	(953,794)
Acquisition of subsidiary's interests from non-controlling interests	(1,956,754)	(472,039)
Proceeds from disposal of subsidiary's interests (without losing control)	5,216	-
Capital injection from non-controlling interests	77,547	143,696
Net cash provided by (used in) financing activities	4,586,733	(1,678,776)
Effects of foreign exchange rate changes	(438,907)	116,755
Net increase (decrease) in cash and cash equivalents	(5,710,242)	7,122,168
Cash and cash equivalents at beginning of period	22,540,418	10,780,507
Cash and cash equivalents at end of period	\$ 16,830,176	17,902,675

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Organization and business

Qisda Corporation (the “Company”) was incorporated on April 21, 1984, as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 157, Shan-Ying Road, Gueishan, Taoyuan, Taiwan. The Company and subsidiaries (collectively the “Group”) are engaged in the manufacturing, sales and services of high-end monitors and opto-mechatronics products; the manufacturing, sales and services of smart business solution; the manufacturing, sales and services of medical equipment; providing medical services; as well as the research, development, design, manufacturing and sale of broadband products, wireless network products and computer network system equipment.

2. Authorization of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on November 12, 2021.

3. Application of New and Revised Accounting Standards and Interpretations

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”
- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the standards by helping companies determine whether, in balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

4. Summary of significant accounting policies

(a) Statement of compliance

The Group's accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed and issued into effect by the FSC (collectively as "Taiwan-IFRSs") for a complete set of the annual consolidated financial statements.

Except for the following accounting policies mentioned below, the significant accounting policies adopted in the accompanying consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2020. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2020.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

The subsidiaries included in the consolidated financial statements were as follows:

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
The Company	Qisda Sdn. Bhd. ("QLPG")	Leasing and management services	100.00 %	100.00 %	100.00 %	Note 1
The Company	Qisda America Corp. ("QALA")	Sales of electronic products	100.00 %	100.00 %	100.00 %	-
The Company	Qisda Japan Co., Ltd. ("QJTO")	Sales and maintenance of electronic products in Japanese market	100.00 %	100.00 %	100.00 %	Note 1
The Company	BenQ Dialysis Technology Corp. ("BDT")	Manufacture and sales of medical consumables and equipment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Qisda Optronics Corp. ("QTOS")	Manufacture of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Darly Venture (L) Ltd. ("Darly")	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
The Company	Darly Venture Inc. ("APV")	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
The Company	Qisda Vietnam Co., Ltd ("QVH")	Manufacture of monitors	100.00 %	100.00 %	100.00 %	-
The Company	Qisda (L) Corp. ("QLLB")	Investment and holding activity	100.00 %	100.00 %	100.00 %	-
QLLB	Qisda (Suzhou) Co., Ltd. ("QCSZ")	Manufacture of monitors and communication devices	100.00 %	100.00 %	100.00 %	-

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
QLLB	Qisda (Hong Kong) Limited (“QCHK”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
QLLB	BenQ Medical (Shanghai) Co., LTD (“BMSH”)	Sales of medical consumables and equipment	100.00 %	100.00 %	100.00 %	Note 1
QCHK/QCES	Qisda (Shanghai) Co., Ltd. (“QCSH”)	Manufacture of monitors	100.00 %	100.00 %	100.00 %	Note 1
QCHK	Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	Manufacture of monitors	100.00 %	100.00 %	100.00 %	Note 1
QCHK	Qisda Optronics (Suzhou) Co., Ltd. (“QCOS”)	Manufacture of projectors	100.00 %	100.00 %	100.00 %	-
QCHK	Qisda Precision Industry (Suzhou) Co., Ltd. (“QCPS”)	Manufacture of plastic parts	100.00 %	100.00 %	100.00 %	Note 1
APV/Darly 2/Darly C	BenQ ESCO Corp. (“BES”)	Energy service	83.00 %	83.00 %	83.00 %	Note 1
The Company	BenQ Corp. (“BenQ”)	Manufacture and sales of brand name electronic products	100.00 %	100.00 %	100.00 %	-
BenQ	BenQ (Hong Kong) Limited (“BQHK”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BenQ	BenQ Europe B.V. (“BQE”)	Sales of brand-name electronic products in European markets	100.00 %	100.00 %	100.00 %	-
BenQ	BenQ Asia Pacific Corp. (“BQP”)	Sales of brand-name electronic products in Asia markets	100.00 %	100.00 %	100.00 %	-
BenQ	BenQ America Corporation (“BQA”)	Sales of brand-name electronic products in North America markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	BenQ Latin America Corp. (“BQL”)	Sales of brand-name electronic products in Latin America markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	Mainteq Europe B.V. (“MQE”)	Maintenance of brand-name monitors and projectors in European markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	Darly2 Venture Co., Ltd. (“Darly 2”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BenQ	BenQ Intelligent Technology (Hong Kong) Co., Ltd. (“BQHK_HLD”)	Sales of brand-name electronic products in HK markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	BenQ INFITY Lab Ltd. (“INF”)	Assembly and sales of gaming electronic products	100.00 %	100.00 %	100.00 %	Note 1
BenQ/Darly/Darly 2	BenQ Guru Holding Limited (“GSH”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BenQ/BQP	PT BenQ Teknologi Indonesia (“BQid”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Korea Co., Ltd. (“BQkr”)	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Japan Co., Ltd. (“BQjp”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
BQP	BenQ Australia Pty Ltd. ("BQau")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ (M.E.) FZE ("BQme")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ India Private Ltd. ("BQin")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Singapore Pte Ltd. ("BQsg")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Service & Marketing (M) Sdn. Bhd ("BQmy")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ (Thailand) Co., Ltd. ("BQth")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQHK	BenQ Co., Ltd. ("BQC")	Lease of real estate	100.00 %	100.00 %	100.00 %	-
BQHK_HLD	BenQ Technology (Shanghai) Co., Ltd. ("BQls")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQHK_HLD	ShengCheng Trading (Shanghai) Co., Ltd ("BQsha_EC2")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQHK_HLD	BenQ Intelligent Technology (Shanghai) Co., Ltd ("BQC_RO")	Sales of brand name electronic products in China markets	100.00 %	100.00 %	100.00 %	-
GSH	Guru Systems (Suzhou) Co., Ltd. ("GSS")	R&D and sales of computer information systems	100.00 %	100.00 %	100.00 %	Note 1
GSH/APV	BenQ GURU Corp. ("GST")	R&D and sales of computer information systems	99.96 %	99.96 %	99.96 %	Note 1
BQA	BenQ Canada Corp. ("BQca")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BenQ/BQL	BenQ Mexico S. de R.L. de C.V. ("BQmx")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQL	Joytech LLC. ("Joytech")	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BQL	Vividtech LLC. ("Vividtech")	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
Joytech/Vividtech	MaxGen Comercio Industrial Imp E Exp Ltda. ("MaxGen")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQmx/BQL	BenQ Service de Mexico S. de R.L. de C.V. ("BQsm")	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ UK Limited ("BQuk")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Deutschland GmbH ("BQde")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Iberica S.L. Unipersonal ("BQib")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Austria GmbH ("BQat")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Benelux B.V. ("BQnl")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Italy S.R.L. ("BQit")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ France SAS ("BQfr")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
BQE	BenQ Nordic A.B. ("BQse")	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ LLC. ("BQru")	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
APV/Darly 2	Darly Consulting Corporation ("Darly C")	Investment management consulting	100.00 %	100.00 %	100.00 %	Note 1
The Company/ BenQ/Darly/ APV/ Darly2	BenQ BM Holding Cayman Corp. ("BBHC")	Investment and holding activity	70.05 %	70.05 %	70.05 %	-
BBHC	BenQ BM Holding Corp. ("BBM")	Investment and holding activity	70.05 %	70.05 %	70.05 %	-
BBM	Nanjing BenQ Hospital Co., Ltd. ("NMH")	Medical services	70.05 %	70.05 %	70.05 %	-
BBM/BIC	Suzhou BenQ Hospital Co., Ltd. ("SMH")	Medical services	70.05 %	70.05 %	70.05 %	-
BBM	BenQ Hospital Management Consulting (Nanjing) Co., Ltd. ("NMHC")	Medical management consulting	70.05 %	70.05 %	70.05 %	Note 1
BBM	BenQ Healthcare Consulting Corporation ("BHCC")	Medical management consulting	70.05 %	70.05 %	70.05 %	Note 1
BBM	Suzhou BenQ Investment Co., Ltd. ("BIC")	Investment and holding activity	70.05 %	70.05 %	70.05 %	Note 1
The Company	BenQ Biotech (Shanghai) Co., Ltd ("BBC")	Manufacture and sales of medical consumables and equipment	70.00 %	70.00 %	70.00 %	Note 1
BBC	Guangxi Youshan Medical Technology Co., Ltd. ("Youshan")	Medical services	38.50 %	38.50 %	38.50 %	Notes 1, 3 and 5
BBC	Wangcheng Medical Technology (Chengdu) Co., Ltd. ("Wangcheng")	Medical services	49.00 %	49.00 %	-	Notes 1, 3 and 5
BBC	Shanghai Filter Technology Co.,Ltd. ("Filter")	Medical services	70.00 %	70.00 %	-	Notes 1 and 5
BBC	Shanghai Zhenglang Medical Equipment Co., Ltd. ("Zhenglang")	Sales of medical consumables and equipment	35.70 %	-	-	Notes 1, 3 and 12
BenQ/APV/ Darly 2	BenQ Medical Technology Corp. ("BMTC")	Manufacture and sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BMTC	Highview Investments Limited ("Highview")	Investment and holding activity	54.96 %	54.96 %	54.96 %	-
BMTC	Asiacconnect International Company ("Asiacconnect")	Sales of medical consumables and equipment	54.82 %	54.82 %	54.82 %	-
BMTC	LILY Medical Corporation ("LILY")	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BMTC	BenQ AB DentCare Corporation ("BABD")	Sales of medical consumables and equipment	48.36 %	48.36 %	48.36 %	Note 3

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
BMTC	BenQ Healthcare Corporation (“BHS”) (Formerly BenQ Hearing Solution Corporation)	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BMTC	EASTECH CO., LTD. (“EASTECH”)	Sales of medical consumables and equipment	38.47 %	38.47 %	38.47 %	Notes 3 and 6
Highview	BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	Agency of international and entrepot trade business	54.96 %	54.96 %	54.96 %	-
LILY	LILY Medical (Suzhou) Co., Ltd. (“ALS”)	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BHS	New Best Hearing International Trade Co. Ltd. (“NBHIT”)	Sales of medical consumables and equipment	28.58 %	28.58 %	28.58 %	Note 3
The Company/ BenQ/APV/ Darly C	BenQ Material Corp. (“BMC”)	R&D, manufacture and sales of optoelectronics film	43.56 %	43.56 %	43.56 %	Note 4
BMC	BenQ Materials (L) Co. (“BMLB”)	Investment and holding activity	43.56 %	43.56 %	43.56 %	Note 4
BMC	Sigma Medical Supplies Corp. (“SGM”)	Manufacture and sales of medical consumables and equipment	43.56 %	43.56 %	43.56 %	Note 4
BMLB	BenQ Material (Suzhou) Co., Ltd. (“BMS”)	Manufacture of optoelectronics film	43.56 %	43.56 %	43.56 %	Note 4
BMLB	Daxon Biomedical (Suzhou) Co., Ltd. (“DTB”)	Sales of medical consumables	43.56 %	43.56 %	43.56 %	Note 4
BMLB	BenQ Materials (Wuhu) Co., Ltd.	Manufacture and sales of optoelectronics film	43.56 %	43.56 %	43.56 %	Note 4
BMLB	BenQ Materials Medical Supplies (Suzhou) Co., Ltd (“BMM”)	Manufacture and sales of medical consumables	43.56 %	43.56 %	43.56 %	Notes 4 and 5
SGM	Suzhou Sigma Medical Supplies Co., Ltd. (“SGS”)	Manufacture and sales of medical consumables and equipment	43.56 %	43.56 %	43.56 %	Note 4
The Company/ APV/ Darly2	Partner Tech Corp. (“PTT”)	Manufacture, sales and import and export of POS terminals and peripherals	68.23 %	68.23 %	68.23 %	Note 1
PTT	P&J Investment Holding Co., Ltd. (B.V.I) (“P&J”)	Investment and holding activity	68.23 %	68.23 %	68.23 %	Note 1
PTT/PTE	Partner Tech UK Corp., Ltd. (“PTUK”)	Sales, import and export of electronic products	64.34 %	64.34 %	64.34 %	Note 1
PTT	Webest Solution Corporation (“WEBEST”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
PTT	Mace Digital Corporation (“PTMG”)	Software development and Sales of product	35.74 %	35.74 %	-	Notes 1, 3 and 5

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
PTT/WEBEST	Partner Tech Middle East FZCO (“PTME”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
PTT	Partner-Tech Europe GmbH (“PTE”)	Sales, import and export of electronic products	34.13 %	34.13 %	34.13 %	Notes 1 and 3
PTT/WEBEST	Partner Tech North Africa (“PTNA”)	Sales, import and export of electronic products	39.70 %	39.70 %	39.70 %	Notes 1 and 3
PTT	Epoint Systems Pte. Ltd. (“PTSE”)	Software development and Sales of product	34.18 %	34.18 %	34.18 %	Notes 1 and 3
PTE	Sloga Team D.o.o (“Sloga”)	Sales, import and export of electronic products	30.72 %	30.72 %	30.72 %	Notes 1 and 3
PTE	Retail Solution & System S.L. (“RSS”)	Sales, import and export of electronic products	23.21 %	23.21 %	23.21 %	Notes 1 and 3
PTME	E-POS International LLC (“E-POS”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Notes 1 and 9
P&J	P&S Investment Holding Co., Ltd. (B.V.I.) (“P&S”)	Investment and holding activity	68.23 %	68.23 %	68.23 %	Note 1
P&S	Partner Tech USA Inc. (“PTU”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
P&S	Partner Tech (Shanghai) Co., Ltd. (“PTCM”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
PTT/WEBEST	La Fresh information Co., Ltd. (“PTTN”)	Software development and Sales of product	34.55 %	34.55 %	34.55 %	Notes 1 and 3
PTT	Corex (Pty) Ltd. (“PCX”)	Sales, import and export of electronic products	-	68.23 %	68.23 %	Notes 1 and 8
The Company/APV/ Darly2	DFI Inc. (“DFI”)	Manufacture and sales of industrial motherboards and component	55.09 %	55.09 %	55.09 %	-
DFI	DFI AMERICA, LLC	Sales, import and export of electronic products	55.09 %	55.09 %	55.09 %	Note 1
DFI	DFI Co., Ltd.	Sales, import and export of electronic products	55.09 %	55.09 %	55.09 %	Note 1
DFI	Yan Tong Technology (“Yan Tong”)	Investment and holding activity	55.09 %	55.09 %	55.09 %	Note 1
DFI	Diamond Flower Information (NL) B.V.	Sales of industrial motherboards	55.09 %	55.09 %	55.09 %	Note 1
DFI	Brainstorm Corporation	Wholesale and retail of computers and peripherals products	19.33 %	-	-	Notes 3 and 7
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacture and sale of industrial motherboards and component	55.09 %	55.09 %	55.09 %	Note 1

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Yan Tong	Yan Ying Hao Trading (ShenZhen) Co., Ltd	Wholesale, import and export of industrial motherboards and component	55.09 %	55.09 %	55.09 %	Note 1
DFI	Aewin Technologies Co., Ltd. ("AEWIN")	Manufacture and sale of industrial motherboards and component	28.31 %	28.01 %	27.95 %	Note 3
AEWIN	WISE WAY	Investment and holding activity	28.31 %	28.01 %	27.95 %	Note 3
AEWIN	AEWIN TECH INC.	Wholesale of computer peripheral products and software	28.31 %	28.01 %	27.95 %	Note 3
WISE WAY	BRIGHT PROFIT	Investment and holding activity	28.31 %	28.01 %	27.95 %	Note 3
BRIGHT PROFIT	Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	28.31 %	28.01 %	27.95 %	Note 3
Aewin Beijing Technologies Co., Ltd.	Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	28.31 %	28.01 %	27.95 %	Note 3
DFI	Ace Pillar Co., Ltd. ("ACE")	Sales of automation mechanical transmission system and component	26.48 %	18.49 %	17.86 %	Note 2
ACE	Cyber South Management Ltd. ("Cyber South")	Investment and holding activity	26.48 %	18.49 %	17.86 %	Note 2
ACE/Proton	Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	26.48 %	18.49 %	17.86 %	Note 2
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Sales of automation mechanical transmission system and component	26.48 %	18.49 %	17.86 %	Note 2
Cyber South	Proton Inc. ("Proton")	Investment and holding activity	26.48 %	18.49 %	17.86 %	Note 2
Cyber South	Ace Tek (HK) Holding Co., Ltd. ("Ace Tek")	Investment and holding activity	26.48 %	18.49 %	17.86 %	Note 2
Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	18.49 %	17.86 %	Note 2
Cyber South	Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	18.49 %	17.86 %	Note 2
Cyber South	Xuchang Ace AI Equipment Co., Ltd.	Wholesale of industrial robot and component	26.48 %	18.49 %	17.86 %	Note 2

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Ace Tek	Advancedtek ACE (TJ) Inc.	Electronic system integration	26.48 %	18.49 %	17.86 %	Note 2
The Company/ Darly2	K2 International Medical Inc. ("K2")	Sales of medical consumables and equipment	40.00 %	40.00 %	40.00 %	Notes 1 and 2
K2	K2 Medical (Thailand) Co., Ltd.	Sales of medical consumables	19.60 %	19.60 %	19.40 %	Notes 1 and 2
K2	K2 (Shanghai) International Medical Inc. ("K2SH")	Sales of medical consumables	40.00 %	24.04 %	24.04 %	Notes 1 and 2
K2	PT. Frismed Hoslab Indonesia	Sales of medical consumables	26.80 %	26.80 %	26.80 %	Notes 1, 2 and 6
The Company/ APV/Darly2	Data Image Corporation ("DIC")	Manufacture and sales of marine display modules	38.35 %	38.35 %	38.33 %	Note 1 and 2
DIC	Data Image (Mauritius) Corporation ("DMC")	Investment and holding activity	38.35 %	38.35 %	38.33 %	Note 1 and 2
DMC	Data Image (Suzhou) Corporation	Manufacture and sales of LCD	38.35 %	38.35 %	38.33 %	Note 1 and 2
The Company	Expert Alliance Systems & Consultancy (HK) Company Limited ("EASC")	Sales of brand-name electronic products and smart services	54.00 %	54.00 %	54.00 %	Note 1
EASC	Expert Alliance Smart Technology Co. Ltd.	Sales of brand-name electronic products and smart services	54.00 %	54.00 %	54.00 %	Note 1
The Company/ APV/ Darly2	Topview Optronics Corporation ("Topview")	Manufacture, sales and import and export of video surveillance cameras	33.56 %	33.56 %	33.50 %	Note 2
Topview	Messoa Technologies Inc. ("Messoa")	Sales, and import and export of video surveillance cameras	13.69 %	13.69 %	13.66 %	Note 2
Messoa	Messoa Technologies Inc. (USA)	Sales, and import and export of video surveillance cameras and maintenance services	13.69 %	13.69 %	13.66 %	Notes 1 and 2
The Company	Sysage Technology Co., Ltd. ("Sysage")	The agent sales and trading of network software and information and communication hardware and software.	51.41 %	35.04 %	35.04 %	Note 2
Sysage/Epic Cloud	Global Intelligence Network Co., Ltd. ("Ginnet")	Sales of network and information and communication hardware and software.	40.84 %	27.84 %	21.77 %	Notes 1 and 2
Sysage	Epic Cloud Information Integration Corporation	Software and data processing services	51.41 %	33.29 %	24.53 %	Notes 1 and 2
Sysage	Neo Trend Tech Corporation ("NEO TREND")	Telecommunications engineering	-	35.04 %	35.04 %	Notes 1, 5 and 10
Sysage	Corex (Pty) Ltd. ("PCX")	Sales and import and export of electronic products	51.41 %	-	-	Notes 1 and 8

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Sysage	AdvancedTEK International Corp. ("AdvancedTEK")	Implementation of application software services	17.53 %	-	-	Notes 1, 2, 7 and 11
Sysage/Ginnet	Dawning Technology Inc. ("Dawningtech")	Sales of network and information hardware and software.	-	14.55 %	13.70 %	Notes 1 and 10
Sysage/Epic cloud	Statinc Company ("Statinc")	Market research, marketing consultant and big data cloud database services	18.00 %	-	-	Notes 1, 2 and 7
Advanced TEK	APEO Human Capital Services Corp.	Implementation of application software services	17.53 %	-	-	Notes 1, 2 and 7
Statinc	DKABio Co., Ltd. ("Dataa")	Market research, marketing consultant and big data cloud database services	51.41 %	-	-	Notes 1 and 12
The Company/APV/ Darly2	Simula Technology Inc. ("Simula")	Manufacture and sales of electronic material	51.13 %	51.27 %	51.27 %	Note 6
Simula	Aspire Asia Inc.	Investment and holding activity	51.13 %	51.27 %	51.27 %	Note 6
Simula	Simula Technology Corp.	Sales in North America	51.13 %	51.27 %	51.27 %	Note 6
Simula	Action Star Technology Co., Ltd. ("AST")	Research & development, manufacture and sale of USB docking station product	30.34 %	-	-	Note 3 and 7
Simula /Aspire Asia Inc.	Simula Company Limited	Investment and holding activity	51.27 %	51.27 %	51.27 %	Note 6
Aspire Asia Inc.	Aspire Electronics Corp.	Investment and holding activity	48.76 %	48.76 %	48.76 %	Notes 3 and 6
Aspire Electronics Corp.	Opti Cloud Technologies, Inc	Research & development of High-speed optical transmission cable and module product technology	26.24 %	26.24 %	26.24 %	Notes 3 and 6
Simula Company Limited	Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	51.27 %	51.27 %	51.27 %	Note 6
The Company/APV	Golden Spirit Co., Ltd. ("GSC")	Sale of alcohol and medical disinfectant	100.00 %	100.00 %	100.00 %	Notes 1 and 6
GSC	Bigmin Bio-Tech Company Ltd.	Sale of alcohol and medical disinfectant	100.00 %	100.00 %	100.00 %	Notes 1 and 6
GSC	E-Strong Medical Technology Co., Ltd. ("ESM")	Manufacture of alcohol and dialysate	66.57 %	66.57 %	66.57 %	Notes 1 and 6
The Company /APV/ Darly2/ Darly C	Alpha Networks Inc. ("Alpha")	Manufacture and sales of broadband products, wireless network products and computer network system equipment	59.98 %	59.87 %	43.75 %	Note 6

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Alpha	Alpha Holdings Inc. (“Alpha Holdings”)	Investment holding	59.98 %	59.87 %	43.75 %	Note 6
Alpha	Alpha Solutions Co., Ltd. (“Alpha Solutions”)	Sale of network equipment, components and technical services	59.98 %	59.87 %	43.75 %	Note 6
Alpha	Alpha Networks Inc. (“Alpha USA”)	Sale, marketing and procurement service in USA	59.98 %	59.87 %	43.75 %	Note 6
Alpha	Alpha Technical Services Inc. (“ATS”)	Post-sale service	59.98 %	59.87 %	43.75 %	Note 6
Alpha	Alpha Networks (Hong Kong) Limited (“Alpha HK”)	Investment holding	59.98 %	59.87 %	43.75 %	Note 6
Alpha	Enrich Investment Corporation (“Enrich Investment”)	Investment holding	59.98 %	59.87 %	43.75 %	Note 6
Alpha	D-Link Asia Investment Pte, Ltd. (“D-Link Asia”)	Investment in manufacturing business	59.98 %	59.87 %	43.75 %	Note 6
D-Link Asia	Alpha Networks (Dongguan) Co., Ltd. (“Alpha Dongguan”)	Production and sale of network products	59.98 %	59.87 %	43.75 %	Note 6
D-Link Asia	Alpha Networks (Chengdu) Co., Ltd. (“Alpha Chengdu”)	Research and development of network products	59.98 %	59.87 %	43.75 %	Note 6
Alpha Dongguan	Mirac Networks (Dongguan) Co., Ltd.	Production and sale of network products	59.98 %	59.87 %	43.75 %	Note 6
Alpha HK	Alpha Networks (Changshu) Co., Ltd. (“Alpha Changshu”)	Production and sale of network products	59.98 %	59.87 %	43.75 %	Note 6
Enrich Investment	Transnet Corporation (“Transnet”)	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	59.98 %	59.87 %	43.75 %	Note 6
Enrich Investment	Aespula Technologies Inc. (“Aespula”)	Sale of network equipment, components and technical services	59.34 %	-	-	Note 7 and 12
Alpha	Hitron Technologies Inc. (“Hitron Technologies”)	Marketing on system integration and production and sales of telecommunication products	37.33 %	37.26 %	27.23 %	Notes 3 and 6
Hitron Technologies	Hitron Technologies (Samoa) Inc (“Hitron Samoa”)	International trade	37.33 %	37.26 %	27.23 %	Notes 3 and 6
Hitron Technologies	Hitron Technologies Europe Holding B.V. (“Hitron Europe”)	International trade	37.33 %	37.26 %	27.23 %	Notes 1, 3 and 6
Hitron Technologies	Hitron Technologies (Americas) Inc. (“Hitron Americas”)	International trade	37.33 %	37.26 %	27.23 %	Notes 3 and 6
Hitron Technologies	Innoauto Technologies Inc. (“Innoauto Technologies”)	Investment and automotive electronics products	37.33 %	37.26 %	27.23 %	Notes 3 and 6

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Hitron Technologies	Hitron Technologies (Vietnam) Inc. ("Hitron Vietnam")	Production and sale of broadband telecommunications products	37.33 %	37.26 %	27.23 %	Notes 3 and 6
Hitron Samoa	Hitron Technologies (SIP) Inc. ("Hitron Suzhou")	Production and sale of broadband telecommunications products	37.33 %	37.26 %	27.23 %	Notes 3 and 6
Hitron Samoa	Jietech Trading (Suzhou) Inc. ("Jietech Suzhou")	Sale of broadband network products and related services	37.33 %	37.26 %	27.23 %	Notes 3 and 6
Hitron Technologies/ Enrich Investment	Interactive Digital Technologies Inc. ("Interactive Digital")	Telecommunication and broadband network system services	20.08 %	20.59 %	13.75 %	Notes 3 and 6
Interactive Digital	Hwa Chi Technologies (Shanghai) Inc. ("Hwa Chi Technologies")	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	20.08 %	20.59 %	13.75 %	Notes 3 and 6

Note 1: This is a non-significant subsidiary for which financial statements were not reviewed as of and for the nine months ended September 30, 2021 and 2020.

Note 2: Although the Group did not own more than half of the voting rights of the entities, the Group owns more than half of their total number of directors; therefore, it is determined that the Group has control over these entities. Hence, the entities have been included in the Group's consolidated entities.

Note 3: The Group did not own more than half of the ownership of the entities. As the Group owns more than half of the voting rights, directly and indirectly, and has the power to control the management and operating policies of the entities, the entities have been included in the Group's consolidated entities.

Note 4: The Group owned 43.56% of the voting rights and is the single largest shareholder of BMC. Since the remaining 56.44% ownership was not concentrated within specific shareholders and there was no indication that all other shareholders exercise their votes collectively, the Group can obtain more than half of the voting rights at BMC's shareholders' meeting and has substantial control over BMC and its subsidiaries, who have been included in the Group's consolidated entities.

Note 5: Filter, Wangcheng, Youshan, BMM, PTMG and NEO TREND were newly established in 2020.

Note 6: In 2020, the Group obtained control over the entities. Therefore, the entities have been included in the Group's consolidated entities.

Note 7: In 2021, the Group obtained control over the entities. Therefore, the entities have been included in the Group's consolidated entities.

Note 8: In 2021, PTT sold all of its investment in PCX to Sysage due to organizational restructuring.

Note 9: PTME originally held 100% ownership of E-POS, however, because of certain legal restrictions, the 51% ownership of E-POS was registered under the name of other parties.

Note 10: Prior to 2021, Dawningtech was one of subsidiaries of the Group. In 2021, the Group sold all of its investments in Dawningtech and therefore the Group lost control of Dawningtech. Dawningtech was excluded from the Group's consolidated entities since then.

Note 11: In January 2021, Sysage obtained letters of support signed by shareholders, who represent 20.36% ownership of AdvancedTEK, authorizing Sysage to direct the significant operating relevant activities and assisted Sysage to obtain more than half of their total number of Directors of the Board of AdvancedTEK. It is determined that the Group has power to control AdvancedTEK, AdvancedTEK has been included in the Group's consolidated entities since then.

Note 12: Dataa, Zhenglang and Aespula was newly established in 2021.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Employee benefits

The defined benefit pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time, as well as significant curtailments, settlements, or other significant one-time events.

(d) Income taxes

The income tax expenses in the interim financial statements have been measured and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expenses for an interim period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. It is recognized fully as current tax expense for the current period.

When income tax expenses are recognized directly in equity or other comprehensive income in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, the related amounts shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled.

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

When preparing the interim consolidated financial statements, same critical accounting judgments and key sources of estimation uncertainties as mentioned in the note 5 of the consolidated financial statements for the year ended December 31, 2020 have been followed.

6. Significant account disclosures

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2020. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2020.

(a) Cash and cash equivalents

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 109,436	108,574	221,229
Demand deposits and checking accounts	14,151,218	15,114,756	14,178,533
Time deposits with original maturities less than three months	<u>2,569,522</u>	<u>7,317,088</u>	<u>3,502,913</u>
	<u><u>\$ 16,830,176</u></u>	<u><u>22,540,418</u></u>	<u><u>17,902,675</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of September 30, 2021, December 31 and September 30, 2020, the time deposits with original maturities more than three months amounted to \$6,653,334, \$2,655,274 and \$3,675,690, respectively, which were classified as other financial assets—current.

(b) Financial assets and liabilities at fair value through profit or loss

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at fair value through profit or loss—current:			
Foreign currency forward contracts	\$ 72,636	96,940	125,332
Foreign exchange swaps	20,020	14,612	31,681
Listed stocks	58,669	68,894	69,390
Open-end mutual funds	25,610	208,054	51,733
Derivative instrument – call and put option of convertible bonds (note 6(p))	47	543	-
	<u>\$ 176,982</u>	<u>389,043</u>	<u>278,136</u>
	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at fair value through profit or loss—non-current:			
Privately held equity securities	\$ 312,220	157,694	10,313
Put option	10,504	10,504	10,504
Contingent consideration arising from business combinations	5,533	5,533	5,533
	<u>\$ 328,257</u>	<u>173,731</u>	<u>26,350</u>
Financial liabilities at fair value through profit or loss—current:			
Foreign currency forward contracts	\$ (35,117)	(109,648)	(26,170)
Foreign exchange swaps	(13,991)	(25,370)	(23,190)
Contingent consideration arising from business combinations	(13,237)	(4,643)	(1,667)
	<u>\$ (62,345)</u>	<u>(139,661)</u>	<u>(51,027)</u>
	September 30, 2021	December 31, 2020	September 30, 2020
Financial liabilities at fair value through profit or loss—non-current:			
Derivative instrument – call and put option of convertible bonds (note 6(p))	\$ -	-	(1,020)
Contingent consideration arising from business combinations	(91,292)	(78,123)	(89,494)
	<u>\$ (91,292)</u>	<u>(78,123)</u>	<u>(90,514)</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The above contingent consideration was arising from the acquisitions of EASC, PTSE, PTTN, PTE, and PCX in the previous years and the acquisition of Statinc in 2021. The discounted cash flow model is used to estimate the contingent consideration based on the future profitability of each subsidiary under the terms of the acquisition agreement.

Refer to note 6(aa) for the amounts of gain (loss) recognized related to financial assets measured at fair value.

The Group entered into derivative contracts to manage foreign currency exchange risk resulting from its operating and financing activities. The derivative financial instruments that did not conform to the criteria for hedge accounting. At each reporting date, the outstanding derivative contracts consisted of the following:

(i) Foreign currency forward contracts

			September 30, 2021		
			Contract amount		
			(in thousands)		
			Maturity period		
USD	Buy/	EUR Sell	EUR	37,015	2021/10~2021/12
JPY	Buy/	USD Sell	USD	42,000	2021/10~2021/12
JPY	Buy/	USD Sell	JPY	96,088	2021/10
USD	Buy/	CAD Sell	CAD	9,000	2021/10~2021/12
USD	Buy/	INR Sell	USD	20,000	2021/10~2021/12
TWD	Buy/	USD Sell	USD	70,896	2021/10~2022/01
TWD	Buy/	EUR Sell	EUR	5,106	2021/10~2021/12
EUR	Buy/	GBP Sell	GBP	5,000	2021/10~2021/12
EUR	Buy/	USD Sell	USD	2,169	2021/10~2021/11
USD	Buy/	BRL Sell	USD	18,000	2021/11~2021/12
USD	Buy/	JPY Sell	JPY	1,400,000	2021/11~2021/12
USD	Buy/	MXN Sell	USD	7,500	2021/11
USD	Buy/	CNY Sell	USD	76,979	2021/10~2021/11
CNY	Buy/	USD Sell	CNY	6,813	2021/10
CNY	Buy/	USD Sell	USD	50,000	2021/10~2021/12
MYR	Buy/	USD Sell	MYR	34,000	2021/10~2022/01
SEK	Buy/	EUR Sell	EUR	2,000	2021/12
USD	Buy/	THB Sell	USD	3,000	2021/12
EUR	Buy/	USD Sell	EUR	1,679	2021/10
USD	Buy/	TWD Sell	USD	23,100	2021/10~2021/12
USD	Buy/	GBP Sell	GBP	922	2021/10
USD	Buy/	ZAR Sell	USD	1,003	2021/10
USD	Buy/	AUD Sell	AUD	2,000	2021/12

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			December 31, 2020	
			Contract amount	Maturity period
			(in thousands)	
USD	Buy/ EUR Sell	EUR	51,071	2021/01~2021/06
JPY	Buy/ USD Sell	USD	50,386	2021/01~2021/03
USD	Buy/ CAD Sell	CAD	9,000	2021/01~2021/06
USD	Buy/ INR Sell	USD	20,000	2021/01~2021/03
TWD	Buy/ USD Sell	USD	70,393	2021/01~2021/04
TWD	Buy/ EUR Sell	EUR	7,130	2021/02~2021/03
EUR	Buy/ GBP Sell	GBP	5,000	2021/03
EUR	Buy/ USD Sell	USD	3,590	2021/01~2021/03
USD	Buy/ BRL Sell	USD	18,000	2021/01~2021/03
USD	Buy/ JPY Sell	JPY	800,000	2021/03
USD	Buy/ MXN Sell	USD	7,500	2021/02
USD	Buy/ CNY Sell	USD	22,156	2021/01~2021/03
USD	Buy/ CNY Sell	CNY	39,244	2021/01
CNY	Buy/ USD Sell	USD	90,600	2021/01~2021/03
MYR	Buy/ USD Sell	MYR	14,000	2021/03
SEK	Buy/ EUR Sell	EUR	2,000	2021/03
USD	Buy/ THB Sell	USD	3,000	2021/03
USD	Buy/ TWD Sell	USD	25,318	2021/01~2021/03
USD	Buy/ GBP Sell	GBP	261	2021/01
USD	Buy/ ZAR Sell	USD	1,500	2021/01
USD	Buy/ ZAR Sell	ZAR	44,203	2021/01
USD	Buy/ AUD Sell	AUD	2,000	2021/03
			September 30, 2020	
			Contract amount	Maturity period
			(in thousands)	
USD	Buy/ EUR Sell	EUR	67,776	2020/10~2020/12
JPY	Buy/ USD Sell	USD	49,067	2020/10~2020/12
USD	Buy/ CAD Sell	CAD	6,000	2020/10~2020/12
USD	Buy/ INR Sell	USD	16,000	2020/10~2020/12
TWD	Buy/ USD Sell	USD	70,203	2020/10~2021/01
TWD	Buy/ EUR Sell	EUR	2,800	2020/10~2020/11
EUR	Buy/ GBP Sell	GBP	5,000	2020/12
EUR	Buy/ USD Sell	USD	2,500	2020/10
USD	Buy/ BRL Sell	USD	14,000	2020/12
USD	Buy/ JPY Sell	JPY	800,000	2020/11~2020/12
USD	Buy/ MXN Sell	USD	7,500	2020/11
USD	Buy/ CNY Sell	USD	38,644	2020/10~2020/12
USD	Buy/ CNY Sell	CNY	34,268	2020/10
CNY	Buy/ USD Sell	USD	84,600	2020/10~2020/12

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Notes to the Consolidated Financial Statements

September 30, 2020		
	Contract amount (in thousands)	Maturity period
MYR Buy/ USD Sell	MYR 21,000	2020/11
SEK Buy/ EUR Sell	EUR 2,000	2020/11
USD Buy/ THB Sell	USD 3,000	2020/11
USD Buy/ TWD Sell	USD 17,642	2020/10
USD Buy/ GBP Sell	GBP 141	2020/10~2020/12
USD Buy/ ZAR Sell	USD 1,108	2020/10~2020/12
USD Buy/ ZAR Sell	ZAR 84,705	2020/10
USD Buy/ AUD Sell	AUD 2,000	2020/11

(ii) Foreign exchange swaps

September 30, 2021		
	Contract amount (in thousands)	Maturity period
Swap in USD/Swap out TWD	USD 176,000	2021/10~2021/12
Swap in USD/Swap out AUD	AUD 3,000	2021/12
Swap in USD/Swap out JPY	JPY 400,000	2021/12
Swap in TWD/Swap out USD	USD 129,520	2021/10

December 31, 2020		
	Contract amount (in thousands)	Maturity period
Swap in USD/Swap out TWD	USD 63,000	2021/01~2021/03
Swap in USD/Swap out AUD	AUD 3,000	2021/03
Swap in USD/Swap out JPY	JPY 400,000	2021/03
Swap in TWD/Swap out USD	USD 102,560	2021/01

September 30, 2020		
	Contract amount (in thousands)	Maturity period
Swap in USD/Swap out TWD	USD 155,000	2020/10~2020/11
Swap in USD/Swap out AUD	AUD 3,000	2020/11
Swap in USD/Swap out JPY	JPY 400,000	2020/11
Swap in TWD/Swap out USD	USD 103,750	2020/10~2020/11

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Financial assets at fair value through other comprehensive income

	September 30, 2021	December 31, 2020	September 30, 2020
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks	\$ 12,029,716	296,043	501,944
Domestic emerging stocks	1,584,371	761,132	549,373
Privately held stocks	555,856	420,505	512,082
	<u>\$ 14,169,943</u>	<u>1,477,680</u>	<u>1,563,399</u>
Current	\$ 100,959	96,281	130,260
Non-current	14,068,984	1,381,399	1,433,139
	<u>\$ 14,169,943</u>	<u>1,477,680</u>	<u>1,563,399</u>

The Group designated the investments shown above as financial assets at fair value through other comprehensive income because these equity investments are held for long-term for strategic purposes and not for trading.

On May 12, 2021, the Group lost significant influence over AU Optronics Corp (“AU”). Hence, the investment in AU was reclassified from investments accounted for using the equity method to financial assets at fair value through other comprehensive income. Please refer to note 6(h).

For the nine months ended September 30, 2021 and 2020, the Group sold part of its financial assets at fair value through other comprehensive income for \$312,579 and \$26,910, respectively. The realized gain accumulated in other comprehensive income of \$170,897 and \$3,885, respectively, which have been transferred from other equity to retained earnings.

Refer to note 8 for a description of the Group’s financial assets at fair value through other comprehensive income—non-current pledged as collateral for long-term debt and credit facilities.

(d) Notes and accounts receivable

	September 30, 2021	December 31, 2020	September 30, 2020
Notes and accounts receivable	\$ 30,719,382	33,508,623	33,632,571
Notes and accounts receivable from related parties	3,257,876	3,280,369	2,638,561
	33,977,258	36,788,992	36,271,132
Less: loss allowance	(246,459)	(287,066)	(340,008)
	<u>\$ 33,730,799</u>	<u>36,501,926</u>	<u>35,931,124</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables (including related parties). Forward looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable (including related parties) was as follows:

September 30, 2021			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 32,098,587	0.08%	25,192
Past due 1-90 days	1,509,885	1.68%	25,337
Past due 91-180 days	183,566	28.47%	52,261
Past due over 181 days	185,220	77.57%	143,669
	<u>\$ 33,977,258</u>		<u>246,459</u>
December 31, 2020			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 35,007,668	0.08%	29,305
Past due 1-90 days	1,423,063	1.38%	19,669
Past due 91-180 days	140,253	48.05%	67,395
Past due over 181 days	218,008	78.30%	170,697
	<u>\$ 36,788,992</u>		<u>287,066</u>
September 30, 2020			
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 34,668,163	0.10%	35,140
Past due 1-90 days	1,177,347	2.70%	31,845
Past due 91-180 days	179,898	44.50%	80,063
Past due over 181 days	245,724	78.53%	192,960
	<u>\$ 36,271,132</u>		<u>340,008</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) Movements of the loss allowance for notes and accounts receivable (including related parties) were as follows:

	For the nine months ended September 30,	
	2021	2020
Balance at January 1	\$ 287,066	351,498
Impairment losses (reversal of impairment loss)	(45,267)	(12,731)
Write-off	(53,613)	(40,781)
Effect of exchange rate changes	(11,977)	(4,027)
Acquisition through business combination	70,250	62,004
Transferred to other receivables	-	(15,955)
Balance at September 30	<u><u>\$ 246,459</u></u>	<u><u>340,008</u></u>

- (iii) The Group entered into factoring contracts with financial institutions to sell its accounts receivable without recourse. According to these contracts, the Group is not responsible for any risk of uncollectible accounts receivable, but only the risk of loss due to commercial disputes. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The receivable from the financial institutions were recognized as “other receivables” upon the derecognition of those accounts receivables. Details of these contracts at each reporting date were as follows:

September 30, 2021							
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral	
CTBC Bank	\$ 4,610,022	-	4,537,815	72,207	0.525%~3.5%	Promissory note	50,112
Taishin International Bank	6,959,999	-	6,959,999	-		None	-
Taipei Fubon Bank	491,931	-	440,332	51,599		None	-
Mega International Commercial Bank	567,312	-	510,581	56,731		Promissory note	150,000
E.SUN Commercial Bank	213,845	-	192,460	21,385		None	-
Crefo Factoring Nord GmbH	66,395	-	59,756	6,639		None	-
KGI Commercial Bank	167,121	-	150,409	16,712		None	-
	<u>\$ 13,076,625</u>	<u>-</u>	<u>12,851,352</u>	<u>225,273</u>			
December 31, 2020							
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral	
CTBC Bank	\$ 2,982,268	-	2,952,341	29,927	0.6%~3.5%	Promissory note	51,030
Taishin International Bank	3,638,461	-	3,638,461	-		None	-
Taipei Fubon Bank	573,865	-	469,322	104,543		None	-
Mega International Commercial Bank	423,739	-	379,786	43,953		Promissory note	150,000
E.SUN Commercial Bank	156,469	-	140,616	15,853		None	-
KGI Commercial Bank	233,957	-	208,894	25,063		None	-
Crefo Factoring Nord GmbH	31,526	-	26,003	5,523		None	-
	<u>\$ 8,040,285</u>	<u>-</u>	<u>7,815,423</u>	<u>224,862</u>			

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2020							
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral	
CTBC Bank	\$ 2,357,430	-	2,306,077	51,353		Promissory note	52,427
Mega International Commercial Bank	956,753	9,421	851,657	105,096		Promissory note	250,000
Taishin International Bank	4,521,319	-	4,521,319	-		None	-
Taipei Fubon Bank	398,577	-	358,658	39,919		None	-
E.SUN Commercial Bank	283,714	-	221,660	62,054		None	-
KGI Commercial Bank	287,228	-	258,085	29,143		None	-
Crefo Factoring Nord GmbH	34,588	-	31,129	3,459		None	-
	<u>\$ 8,839,609</u>	<u>9,421</u>	<u>8,548,585</u>	<u>291,024</u>	0.65%~3.5%		<u>302,427</u>

Please refer to note 8 for a description of the Group's notes and accounts receivable pledged as collateral to secure for the bank loans.

(e) Other receivables

	September 30, 2021	December 31, 2020	September 30, 2020
Other receivables—the factored accounts receivable, net of advance amount	\$ 225,273	224,862	291,024
Other receivables—others	535,711	479,318	385,179
	760,984	704,180	676,203
Less: loss allowance	(27,783)	(28,292)	(29,066)
	733,201	675,888	647,137
Other receivables from related parties	301,406	302,399	298,366
	<u>\$ 1,034,607</u>	<u>978,287</u>	<u>945,503</u>

As of September 30, 2021, December 31 and September 30, 2020, except for other receivables amounting to \$27,783, \$28,292 and \$29,066, respectively, wherein the loss allowances were fully provided, no loss allowance was provided for the remaining receivables after the management's assessment.

(f) Inventories

	September 30, 2021	December 31, 2020	September 30, 2020
Raw materials	\$ 20,178,491	11,353,769	8,252,727
Work in process	3,128,045	2,343,595	2,652,210
Finished goods	17,274,111	15,336,859	16,128,982
Inventories in transit	7,413,750	6,105,110	5,677,071
	<u>\$ 47,994,397</u>	<u>35,139,333</u>	<u>32,710,990</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2021 and 2020, the amounts of inventories recognized as cost of revenue were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Cost of inventories sold	\$ 47,176,277	42,569,500	135,277,015	111,877,794
Write-downs of inventories	21,851	157,223	105,140	352,933
	<u>\$ 47,198,128</u>	<u>42,726,723</u>	<u>135,382,155</u>	<u>112,230,727</u>

- (g) Non-current assets or disposal groups classified as held for sale
- (i) The disposal of the shareholdings of Dawningtech, one of Sysage's subsidiaries, had been conducted through a sales and purchase agreement entered into by Sysage, Dawningtech, and Ginnet, another subsidiary of Sysage, in January 2021 based on a resolution approved during the board meeting of Sysage held on November 5, 2020. Thereafter, the assets and liabilities of Dawningtech amounting to \$770,609 and \$358,207, respectively, were recognized as non-current assets or disposal groups classified as held-for-sale as of December 31, 2020. The details were as follows:

Non-current assets or disposal groups classified as held for sale	December 31, 2020
Cash and cash equivalents	\$ 107,704
Notes and accounts receivable, net	423,595
Inventories	177,319
Prepayments	1,546
Other current assets	5,773
Property, plant and equipment	9,315
Right-of-use assets	33,630
Deferred income tax assets	8,683
Other non-current assets	3,044
	<u>\$ 770,609</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Liabilities directly related to non-current assets or disposal groups classified as held for sale	December 31, 2020
Short-term borrowings	\$ 43,022
Financial liabilities at fair value through profit or loss—current	330
Contract liabilities	3,050
Accounts and notes payable	230,008
Other payables	51,564
Lease liabilities (current and non-current)	22,609
Advance receipts	6,907
Other current liabilities	582
Other non-current liabilities	135
	\$ 358,207

In addition, no impairment loss was recognized after measuring the abovementioned net assets at the lower of carrying amount and fair value less costs to sale.

The above net assets has been sold in the first quarter of 2021 for a consideration of \$265,795. A disposal gain of \$84,232, net of derecognition of non-controlling interests of Dawningtech and receivables within the Group, was recognized and included in the other gains and losses-net in the accompanying consolidated financial statements.

- (ii) In June 2020, the Board of Directors of QLPG approved a resolution to dispose its land and building, with carrying amount of \$119,281, located at Penang, Malaysia, to one of the Group's associates, Visco Technology Sdn. Bhd. The above land and building has been sold in the second quarter of 2021 for a consideration of \$561,173. A disposal gain of \$365,338 was recognized and included in the other gains and losses-net in the accompanying consolidated financial statements.
- (iii) In the third quarter of 2021, the respective Board of Directors of SGM, ACE, DFI and Sysage approved a resolution to dispose the parcels of land and buildings located at Ruifang, Sanchong and Xizhi District of New Taipei City and Kaohsiung City. Since the lands and buildings are expected to be disposed within one year, the abovementioned assets, with the carrying amounts of \$163,909, \$73,452, \$72,885 and \$16,283, respectively, were classified as non-current assets held-for-sale as of September 30, 2021.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Investments accounted for using the equity method

A summary of the Group's investments accounted for using the equity method at the reporting date were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Associates	\$ 3,291,483	16,278,479	15,289,270
Joint ventures	29,141	29,955	28,996
	<u><u>\$ 3,320,624</u></u>	<u><u>16,308,434</u></u>	<u><u>15,318,266</u></u>

(i) Investments in associates

Name of Associates	Main Business and Relationship	Location	September 30, 2021		December 31, 2020		September 30, 2020	
			Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount
AU Optronics Corp. ("AU")	R & D, manufacture and sale of TFT-LCD panels, the Group's strategic partners	Taiwan	-	\$ -	6.99 %	12,701,500	6.99 %	11,801,696
Darfon Electronics Corp. ("DFN")	Manufacture and sale of power devices, peripheral equipment, and integrated communication devices, the Group's strategic partners	Taiwan	25.73 %	2,367,895	25.73 %	2,364,486	25.73 %	2,171,076
Others			-	923,588	-	1,212,493	-	1,316,498
				<u><u>\$ 3,291,483</u></u>		<u><u>16,278,479</u></u>		<u><u>15,289,270</u></u>

The equity-method was used to account for the Group's investments in AU, in which the Group holds less than 20% of the voting rights but has significant influence over AU as the chairman of the Company was elected as director and participates in the decision-making on the board of AU before May 11, 2021. However, the chairman of the Company resigned as the director of AU on May 11, 2021, which caused the Group to lose significant influence over AU. As a result, the investment in AU has been reclassified to financial assets at fair value through other comprehensive income – non-current. A gain on disposal of investments of \$1,979,741 was recognized under other gains and losses, accordingly.

BBM originally held 30% ownership of Nanjing Silvertown Health & Development Co., Ltd. ("NSHD"). On March 17, 2021, the Board of Director of BBM approved a resolution to sell 15% ownership of NSHD, wherein BBM has entered into a share sale and purchase agreement for the disposal process at a total selling price of CNY 300,000 thousand. As of September 30, 2021, 13.5% ownership of NSHD had been sold and \$1,166,166 (CNY 270,000 thousand) of consideration was received, resulting in a gain on disposal of investments of \$986,869 to be recognized. The Group still has significant influence over NSHD.

Referring to note 6(i), the Group acquired additional 19.02% ownership of Alpha for \$3,092,150 through public tender offer, and the Group obtained control over Alpha and its subsidiaries, and included them in the Group's consolidated entities. Please refer to note 6(i).

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

From April to May 2020, Nanjing BenQ Hospital Co., Ltd. ("NMH") invested the amount of \$423,670 in Guigang Donghui Medical Investment Co., Ltd. and acquired 18.35% ownership of Guigang Donghui Medical Investment Co., Ltd. The equity-method was used to account for investments as the NMH was elected as director and participates in the decision-making on the board and has significant influence over it.

In the second quarter of 2021, the Group assessed that the investment of the associate, DMC Components International, LLC, has been impaired, and therefore recognized impairment loss of \$6,632 under other gains and losses.

The fair value of the investment in associates which are publicly traded were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
AU	\$ -	9,290,386	7,432,309
DFN	2,981,669	3,122,110	2,718,793

The summarized financial information in respect of each of the Group's material associate is set out below:

1) The summarized financial information of AU:

	December 31, 2020	September 30, 2020
Current assets	\$ 168,317,673	155,845,767
Non-current assets	238,952,622	238,197,741
Current liabilities	(98,338,179)	(91,880,785)
Non-current liabilities	(115,141,751)	(121,927,542)
Equity	<u>\$ 193,790,365</u>	<u>180,235,181</u>
Equity attributable to non-controlling interests of AU	<u>\$ 10,985,674</u>	<u>10,303,219</u>
Equity attributable to shareholders of AU	<u>\$ 182,804,691</u>	<u>169,931,962</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		For the three months ended September 30, 2020	For the nine months ended September 30, 2020
Net sales		\$ <u>73,229,997</u>	<u>190,420,361</u>
Net income (loss)		\$ 3,010,324	(5,970,244)
Other comprehensive income (loss)		912,121	(1,803,669)
Total comprehensive income (loss)		\$ <u>3,922,445</u>	<u>(7,773,913)</u>
Total comprehensive income (loss) attributable to non-controlling interests of AU		\$ <u>282,995</u>	<u>(1,001,689)</u>
Total comprehensive income (loss) attributable to shareholders of AU		\$ <u>3,639,450</u>	<u>(6,772,224)</u>

		For the three months ended September 30, 2021	For the three months ended September 30, 2020	For the nine months ended September 30, 2021	For the nine months ended September 30, 2020
The Group's share of equity of associates at January 1	\$	-	11,622,256	12,804,784	12,348,373
Net income (loss) attributable to the Group		-	202,272	1,255,866	(353,609)
Other comprehensive income (loss) attributable to the Group		-	52,136	(63,477)	(119,762)
Capital surplus attributable to the Group		-	591	(55,616)	2,253
Reclassified to financial assets at fair value through other comprehensive income		-	-	(13,838,274)	-
Cumulative effect of investment income recognized under treasury stock method		-	(75,559)	(103,283)	(75,559)
The carrying amount of investments in the associates at September 30	\$	<u>-</u>	<u>11,801,696</u>	<u>-</u>	<u>11,801,696</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) The summarized financial information of DFN:

	September 30, 2021	December 31, 2020	September 30, 2020	
Current assets	\$ 18,973,888	14,983,083	13,921,758	
Non-current assets	11,516,197	9,286,423	8,909,584	
Current liabilities	(14,887,529)	(11,672,915)	(11,454,787)	
Non-current liabilities	(3,904,793)	(2,017,529)	(1,642,175)	
Equity	<u>\$ 11,697,763</u>	<u>10,579,062</u>	<u>9,734,380</u>	
Equity attributable to non-controlling interests of DFN	<u>\$ 2,493,421</u>	<u>1,387,996</u>	<u>1,295,124</u>	
Equity attributable to shareholders of DFN	<u>\$ 9,204,342</u>	<u>9,191,066</u>	<u>8,439,256</u>	
	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021	2020
Net sales	<u>\$ 6,962,475</u>	<u>6,111,052</u>	<u>20,495,470</u>	<u>15,949,277</u>
Net income	\$ 336,782	303,232	943,886	663,584
Other comprehensive income (loss)	(96,876)	35,163	(101,170)	(259,090)
Total comprehensive income	<u>\$ 239,906</u>	<u>338,395</u>	<u>842,716</u>	<u>404,494</u>
Total comprehensive income attributable to non-controlling interests of DFN	<u>\$ 36,717</u>	<u>20,280</u>	<u>129,370</u>	<u>28,928</u>
Total comprehensive income attributable to shareholders of DFN	<u>\$ 203,189</u>	<u>318,115</u>	<u>713,346</u>	<u>375,566</u>
	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021	2020
The Group's share of equity of associates at January 1	\$ 2,315,545	2,087,625	2,364,486	2,233,147
Net income attributable to the Group	78,122	72,488	209,707	162,133
Other comprehensive income (loss) attributable to the Group	(25,754)	9,351	26,227	(65,540)
Capital surplus attributable to the Group	(18)	1,612	(18)	6,985
Dividend received from associates	-	-	(180,053)	(165,649)
The carrying amount of investments in the associates at September 30	<u>\$ 2,367,895</u>	<u>2,171,076</u>	<u>2,420,349</u>	<u>2,171,076</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 3) The summarized financial information of Alpha:

	January 1, 2020 to July 22, 2020 2020	
Net sales	\$ <u>1,572,959</u>	
Net income	\$ 194,799	
Other comprehensive loss	<u>(58,557)</u>	
Total comprehensive income	\$ <u>136,242</u>	
Total comprehensive income attributable to non-controlling interests of Alpha	\$ <u>53,105</u>	
Total comprehensive income (loss) attributable to shareholders of Alpha	\$ <u>83,137</u>	
	For the three months ended September 30, 2020	For the nine months ended September 30, 2020
The Group's share of equity of associates at January 1 \$	2,425,743	2,564,115
Purchase of investments	-	86,462
Net income attributable to the Group	9,965	21,204
Other comprehensive income (loss) attributable to the Group	8,858	(10,761)
Capital surplus attributable to the Group	(1,435)	(161,064)
Dividend received from associates	(16)	(56,841)
Reclassification to consolidated entities	<u>(2,443,115)</u>	<u>(2,443,115)</u>
The carrying amount of investments in the associates at September 30	\$ <u>-</u>	<u>-</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 4) Aggregate financial information of associates that were not individually material to the Group was summarized as follows. The financial information was included in the Group's consolidated financial statements.

	September 30, 2021	December 31, 2020	September 30, 2020	
The aggregate carrying amount of associates that were not individually material to the Group	\$ <u>923,588</u>	<u>1,212,493</u>	<u>1,316,498</u>	
	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021	2020
Attributable to the Group:				
Net income (loss)	\$ 7,134	(9,232)	19,756	10,494
Other comprehensive income(loss)	<u>4,049</u>	<u>4,055</u>	<u>(15,778)</u>	<u>(17,214)</u>
Total comprehensive income (loss)	\$ <u>11,183</u>	<u>(5,177)</u>	<u>3,978</u>	<u>(6,720)</u>

(ii) Joint venture

Aggregate financial information of joint ventures that were not individually material to the Group was summarized as follows. The financial information was included in the Group's consolidated financial statement:

	September 30, 2021	December 31, 2020	September 30, 2020	
The aggregate carrying amount of joint ventures that were not individually material to the Group	\$ <u>29,141</u>	<u>29,955</u>	<u>28,996</u>	
	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021	2020
Attributable to the Group:				
Net income (loss)	\$ 78	(61)	23	3,538
Other comprehensive income (loss)	<u>(53)</u>	<u>553</u>	<u>(149)</u>	<u>(217)</u>
Total comprehensive income (loss)	\$ <u>25</u>	<u>492</u>	<u>(126)</u>	<u>3,321</u>

(iii) Pledge as collateral

Refer to note 8 for a description of the Group's investments accounted for using the equity method pledged as collateral for long-term debt and credit facilities.

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QISDA CORPORATION AND SUBSIDIARIES
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(i) Business combination

(i) Acquisition of subsidiary by DFI — Brainstorm Corporation (“Brainstorm”)

1) Consideration transferred

On May 1, 2021 (the acquisition date), DFI acquired 35.09% equity ownership of Brainstorm. According to the stock purchase agreement and Articles of Incorporation of Brainstorm, DFI obtained 55.29% of voting rights of Brainstorm and owned more than half of Brainstorm's total number of directors, resulting in DFI to obtain control over Brainstorm. Thereafter, Brainstorm has been included in the Group's consolidated entities.

The acquisition of Brainstorm is to implement its channel-first strategy and accelerate its development in the U.S. market.

2) Identifiable net assets acquired in a business combination

On May 1, 2021 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$	501,582
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of Brainstorm's identifiable net assets)		641,433
Less: identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	460,381
Notes and accounts receivable, net		191,888
Inventories		803,582
Prepayments and other current assets		4,613
Property, plant and equipment		7,026
Right-of-use assets		51,212
Intangible assets — trademarks		562,692
Intangible assets — computer software		129
Other non-current assets		4,573
Accounts payable		(784,344)
Other payables		(143,260)
Current income tax liabilities		(2,055)
Other current liabilities		(311)
Lease liabilities (including current and non-current)		(51,212)
Deferred income tax liabilities		(112,538)
Long-term debt		(4,187)
Goodwill		\$ <u>988,189</u>
		\$ <u><u>154,826</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The fair value of the abovementioned assets and liabilities was the provisional amount and will be finalized until the completion of valuation.

If there is any information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provision amounts, or any additional provisions as at the acquisition date, the acquisition accounting will be revised.

3) Intangible assets

Intangible assets—trademarks are amortized on a straight-line basis over the estimated future economic useful life of 10 years.

Goodwill arising from the acquisition of Brainstorm is due to the profitability, control premium over Brainstorm, the synergies of the business combination, future U.S. market development and value of workforce. None of the goodwill recognized is expected to be deductible for income tax purposes.

4) Pro forma information

From the acquisition date to September 30, 2021, Brainstorm had contributed the revenue of \$2,454,511 and the net income of \$101,711 to the Group. If this acquisition had occurred on January 1, 2021, the management estimates that consolidated revenue would have been \$166,450,920, and consolidated income after income tax would have been \$9,052,443.

(ii) Acquisition of subsidiaries by Simula—Action Star Technology Co., Ltd. (“AST”)

1) Consideration transferred

On April 12, 2021 (the acquisition date), Simula invested in AST for a cash consideration of \$983,857, wherein it obtained 59.35% ownership of AST. In addition, Simula owned more than half of AST's total number of directors, resulting in Simula to obtain control over AST. Thereafter, AST has been included in the Group's consolidated entities. The acquisition of AST is to enhance the capability of vertical integration and strengthen the Group's ability to penetrate into the smart connector solution market and serve the needs of customers in terms of smart enterprise, medical and automotive.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On April 12, 2021 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$ 983,857
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of fair value of AST's identifiable net assets)	622,503

Less: identifiable net assets acquired at fair value:

Cash and cash equivalents	\$ 263,113
Notes and accounts receivable, net	304,033
Other receivables	9,052
Inventories	446,515
Other current assets	20,390
Other financial assets — current	221,754
Property, plant and equipment	531,417
Right-of-use assets	488
Intangible assets — customer relationships	115,236
Intangible assets — computer software	1,324
Intangible assets — expertise	356,326
Other non-current assets	7,854
Short-term borrowings	(230,400)
Notes and accounts payable	(345,077)
Contract liabilities	(4,177)
Other payables	(18,067)
Other current liabilities	(27,598)
Current portion of long-term debt	(11,340)
Long-term debt	(108,400)
Deferred income tax liabilities	(702)
Lease liabilities	(474)
Other non-current liabilities	(2)
	1,531,265
Goodwill	<u>\$ 75,095</u>

The fair value of the abovementioned assets and liabilities was the provisional amount and will be finalized until the completion of valuation.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

If there is any information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provision amounts, or any additional provisions as at the acquisition date, the acquisition accounting will be revised.

3) Intangible assets

Goodwill arising from the acquisition of AST is due to the profitability, future market development and value of workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

4) Pro forma information

From the acquisition date to September 30, 2021, AST had contributed the revenue of \$1,074,242 and the net income of \$48,868 to the Group. If this acquisition had occurred on January 1, 2021, the management estimates that consolidated revenue would have been \$164,445,497, and consolidated income after income tax would have been \$8,954,261.

(iii) Acquisition of subsidiaries by Sysage — STATINC and AdvancedTEK

1) Consideration transferred

On February 4, 2021, Sysage invested in STATINC for a cash consideration of \$70,023 and contingent consideration of \$23,298, wherein it obtained 35.01% of voting shares of STATINC. In addition, Sysage became the largest shareholder and owned more than half of STATINC's total number of directors, resulting in Sysage to obtain control over STATINC. Thereafter, STATINC has been included in the Group's consolidated entities.

The Group previously held 34.09% ownership and was the largest shareholder of AdvancedTEK. On January 4, 2021, the Group obtained letters of support signed by shareholders, who represent 20.36% ownership of AdvancedTEK, authorizing the Group to direct AdvancedTEK's significant operating activities and to obtain more than half of the total number of Directors of the Board of AdvancedTEK. Therefore, the Group obtained control over AdvancedTEK and its subsidiaries. Thereafter, AdvancedTEK had been included in the Group's consolidated entities.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

The fair value of identifiable assets acquired and liabilities assumed from the abovementioned subsidiaries' acquisition was as follows:

Consideration transferred:

Cash	\$ 70,023
Non-controlling interests (measured at non-controlling interest's proportionate share of fair value of identifiable net assets)	119,701
Fair value of contingent consideration	23,298
Fair value of pre-existing interest in the acquiree	32,120

Less: identifiable net assets acquired at fair value:

Cash and cash equivalents	\$ 130,454
Notes and accounts receivable, net	56,273
Other current assets	28,339
Property, plant and equipment	1,686
Right-of-use assets	22,860
Intangible assets — patent	2,317
Intangible assets — trademarks	3,201
Intangible assets — customer relationship	1,827
Intangible assets — computer software	43
Intangible assets — others	27,872
Deferred income tax assets	1,849
Other non-current assets	19,732
Contract liabilities — current	(35,974)
Short-term borrowings	(6,000)
Notes and accounts payable	(12,103)
Other payables	(23,662)
Lease liabilities — current	(7,129)
Other current liabilities	(5,275)
Lease liabilities — non-current	(15,884)
Other non-current liabilities	(1,402)
	189,024
Goodwill	<u>\$ 56,118</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Intangible assets

Intangible assets included customer relationship, trademarks, patent, and others, which are amortized on a straight-line basis over the estimated future economic useful life of 5.9, 10, 10, and 10 years, respectively.

Goodwill arising from the acquisition is due to the control premium, the synergies of the business combination, the profitability, future market development and value of workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

4) Pro forma information

From the acquisition date to September 30, 2021, the subsidiaries acquired by Sysage had contributed the revenue of \$199,056 and the net loss of \$2,173 to the Group. If this acquisition had occurred on January 1, 2021, the management estimates that consolidated revenue would have been \$164,088,823, and consolidated income after income tax would have been \$8,946,485.

(iv) Acquisition of subsidiaries — Golden Spirit Co., Ltd and its subsidiaries

1) Consideration transferred

On June 19, 2020, the Company invested the amount of \$254,000 and acquired the entire shareholdings of Golden Spirit Co., Ltd. (“GSC”), in which the Company obtained control over it. Thereafter, GSC and its subsidiaries have been included in the Group's consolidated entities. GSC is engaged in the trading and manufacturing of alcohol and medical disinfectant. The acquisition of GSC enables the Group to accelerate the product deployment in the dialysis business, and expand the business of medical and epidemic prevention products.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On June 19, 2020 (the acquisition date), the fair value of the identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$	254,000
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Less: identifiable net assets acquired at fair value:

Cash and cash equivalents	\$	42,989	
Notes and accounts receivable, net		56,664	
Inventories		54,988	
Other current assets		36,610	
Other financial assets — current		4,288	
Financial assets at fair value through other comprehensive income — non-current		2,960	
Property, plant and equipment		545,568	
Right-of-use assets		45,633	
Intangible assets — trademarks		69,156	
Intangible assets — computer software		1,921	
Intangible assets — customer relationships		1,176	
Intangible assets — agency		2,843	
Intangible assets — others		1,235	
Other non-current assets		27,873	
Other financial assets — non-current		21,432	
Short-term borrowings		(203,902)	
Notes and accounts payable		(19,826)	
Accounts payable to related parties		(3,805)	
Other payables		(30,927)	
Other current liabilities		(27,572)	
Current portion of long-term debt		(37,148)	
Long-term debt		(191,885)	
Deferred income tax liabilities		(13,657)	
Lease liabilities		(48,331)	
Other non-current liabilities		(9,761)	
Non-controlling interests		(87,034)	241,488
Goodwill		\$	<u><u>12,512</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group continuously reviews the abovementioned items during the measurement period. The adjustments on the abovementioned intangible assets and goodwill on April 12, 2021 were as follows:

Decrease in other current assets	\$ (8,900)
Increase in property, plant and equipment	4,009
Increase in intangible assets — trademarks	9,156
Increase in intangible assets — customer relationship	1,176
Increase in intangible assets — agency	2,843
Increase in deferred income tax liabilities	(1,657)
Increase in other current liabilities	<u>(1,494)</u>
Increase in goodwill	<u><u>\$ 5,133</u></u>

3) Intangible assets

Goodwill arising from the acquisition of GSC is due to the profitability, future market development and value of workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

Intangible assets— trademarks, customer relationships and agency are amortized on a straight-line basis over the estimated future economic useful life of 10 years, 10.69 years and 6.93 years, respectively.

(v) Acquisition of subsidiaries — Simula Technology Inc. and its subsidiaries

1) Consideration transferred

On April 1, 2020, the Company subscribed 30,000 thousand shares of Simula Technology Inc. (“Simula”) at a price of \$600,000 through private offering and acquired 37.5% of its ownership. In addition, the Group acquired 13.77% of Simula's ownership in public market for \$411,840. After these investments in Simula, the Group obtained 51.27% of Simula's ownership and owned more than half of Simula’s total number of directors. Therefore, the Company obtained control over Simula. Thereafter, Simula and its subsidiaries have been included in the Group's consolidated entities. Simula is engaged in electronic components manufacturing, electronic material wholesale, product design and international trade. The acquisition of Simula enables the Group to jointly develop vehicle networking, medical and health equipment, and AIoT solutions, and assist the Group to develop upstream and downstream key components of supply chain.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On April 1, 2020 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$ 1,011,840
Non-controlling interests (measured at non-controlling interest's proportionate share of fair value of Simula's identifiable net assets)	807,562

Less: identifiable net assets acquired at fair value:

Cash and cash equivalents	\$ 1,016,057
Financial assets at fair value through profit or loss — current	18
Notes and accounts receivable, net	197,657
Other receivables	7,472
Inventories	111,483
Other current assets	14,264
Financial assets at fair value through other comprehensive income — non-current	4,880
Investments accounted for using equity method	4,140
Property, plant and equipment	354,283
Right-of-use assets	36,011
Intangible assets — customer relationships	154,526
Intangible assets — expertise	124,792
Intangible assets — computer software	4,641
Deferred income tax assets	4,918
Other non-current assets	14,553
Financial liabilities at fair value through profit or loss — current	(114)
Contract liabilities — current	(4,016)
Notes and accounts payable	(101,289)
Other payables	(167,133)
Other current liabilities	(1,603)
Lease liabilities	(36,515)
Deferred income tax liabilities	(63,502)
Other non-current liabilities	(477)
Non-controlling interests	(17,827)
Goodwill	\$ <u><u>162,183</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Intangible assets

Goodwill arising from the acquisition of Simula and its subsidiaries is due to the control premium, the synergies of the business combination, future market development and value of workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

The above intangible assets—customer relationships are amortized on a straight-line basis over the estimated future economic useful life of 12.75 years; the expertise is amortized on a straight-line basis over the estimated future economic useful life of 5 years.

(vi) Acquisition of subsidiaries—Alpha Networks Inc. and its subsidiaries

1) Consideration transferred

On July 23, 2020, the Group invested the amount of \$3,092,150 and acquired 19.02% of Alpha Networks Inc. (“Alpha”) through public tender offer, resulting in the Group's ownership interest in Alpha to increase from 23.84% to 42.86%. Thereafter, the Group obtained control over Alpha. Hence, Alpha and its subsidiaries have since been included in the Group's consolidated entities. Alpha and its subsidiaries are engaged in research, development, design ,manufacture and sales of broadband products, wireless network products, as well as computer network system equipment, and their related components. The acquisition of Alpha enables the Group to seize the business opportunity of rapid 5G development by integrating and strengthening the Group's strong technological and manufacturing skills, as well as Alpha's capability on network equipment industry in order to expand its market share and customers base to increase international competitiveness.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On July 23, 2020, (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$ 3,092,150
Add: fair value of pre-existing interest in the acquiree	3,200,885
Less: Dividends receivable from acquisitions	(45,461)
Add: non-controlling interest (measured at non-controlling interest's proportionate share of the fair value of Alpha's identifiable net assets)	6,274,387

Less: identifiable net assets acquired at fair value:

Cash and cash equivalents	\$ 5,179,564
Financial assets at fair value through profit or loss — current	85,472
Notes and accounts receivable, net	5,839,060
Inventories	7,529,865
Other financial assets—current	10,874
Other current assets	887,344
Financial assets at fair value through other comprehensive income non-current	206,469
Property, plant and equipment	4,578,437
Right-of-use asset	1,217,679
Deferred income tax assets	208,561
Intangible assets — goodwill	578,901
Intangible assets — patent	782,741
Intangible assets — trademark	229,755
Intangible assets — customer relationships	392,233
Intangible assets — expertise	221,870
Intangible assets — computer software	55,412
Other financial assets—non-current	159,587
Short-term borrowings	(2,899,290)
Financial liabilities at fair value through profit or loss — current	(9,192)
Notes and accounts payable	(6,658,208)
Accounts payable to related parties	(3,795)
Contract liabilities	(469,582)
Other payables	(2,382,643)
Provision	(204,261)
Bonds payable	(576,724)
Lease liabilities	(202,240)
Deferred income tax liabilities	(496,526)
Other non-current liabilities	(293,960)
Non-controlling interests	(2,986,676)
Goodwill	\$ <u>10,980,727</u> <u><u>1,541,234</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group's previously held 23.84% ownership of Alpha is remeasured to fair value at the acquisition date, and recognized a gain on disposal of \$676,979 in other gains and losses-net.

3) Intangible assets

Goodwill arising from the acquisition of Alpha and its subsidiaries is due to their profitabilities, future market development, and value of workforce, neither of which qualifies as identifiable intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

The abovementioned intangible assets are amortized on a straight-line basis over the estimated future economic useful life. The amortization period is as follows:

Patent: 5 years; trademark: 9.44 years; customer relationships: 8.44 to 11.44 years; expertise: 6.44 years.

(vii) Change in ownership interest in subsidiaries without losing control

In March 2021, the Group increased its investments in Sysage for cash of \$1,387,856 through public tender offer, resulting in the Group's ownership interest in Sysage to increase to 51.41%. In addition, the Group acquired an additional ownership of ACE, AEWIN, K2SH and Alpha for cash of \$568,898 from January to September 2021.

From January to September 2020, the Group acquired an additional ownership of Alpha, Interactive Digital, ESM, ACE, DIC, Topview and BDT for cash of \$472,039.

Please refer to note 4(b) for the related changes in the percentage of ownership.

The following table summarizes the effect on the equity attributable to the shareholders of the Company arising from abovementioned changes in ownership interests in subsidiaries:

	For the nine months ended	
	September 30,	
	2021	2020
Capital surplus — arising from changes in ownership interests in subsidiaries	\$ 7,946	(51,612)
Capital surplus — difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	(114,527)
Retained earnings	628,589	-
	\$ 636,535	(166,139)

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(viii) Loss of control in subsidiary

On February 26, 2021, the Chairman of Sysage approved to dispose the entire ownership of NEO TREND. The contract of sale of share had been signed at a disposal price of \$50,000, wherein the gain on disposal of \$20,696 was recorded as other gains and losses—net. All disposal related matters had been completed, resulting in the Group to lose control over NEO TREND. The relevant details are as follows:

1) Consideration received

Total consideration received	\$ 50,000
Expenditure associated with consideration received	(150)
Net consideration received	<u><u>\$ 49,850</u></u>

2) Identifiable net assets of NEO TREND

Cash and cash equivalents	\$ 3,604
Financial assets at fair value through profit or loss—current	23,017
Notes and accounts receivable, net	29
Inventories	50
Other current assets	1,221
Right-of-use assets	20,809
Other non-current assets	1,837
Notes and accounts payable	(108)
Accrued expenses	(3,860)
Lease liabilities—current	(4,065)
Lease liabilities—non-current	(13,380)
	<u><u>\$ 29,154</u></u>

(ix) Subsidiaries that have material non-controlling interest:

Subsidiaries that have material non-controlling interest were as follows:

Subsidiaries	Principal place of business /Registration country	The Percentage of ownership and voting rights held by non-controlling interests		
		September 30, 2021	December 31, 2020	September 30, 2020
BMC	Taiwan	56.44 %	56.44 %	56.44 %
BBHC	Cayman Islands	29.95 %	29.95 %	29.95 %
DFI	Taiwan	44.91 %	44.91 %	44.91 %
Sysage	Taiwan	48.59 %	64.96 %	64.96 %
Alpha	Taiwan	40.02 %	40.13 %	56.25 %

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 1) The summarized financial information of BMC:

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 6,146,288	5,552,093	4,975,371
Non-current assets	5,461,154	5,507,358	5,564,615
Current liabilities	(5,117,216)	(4,970,859)	(4,394,549)
Non-current liabilities	(1,708,391)	(1,765,817)	(1,972,056)
Net assets	<u>\$ 4,781,835</u>	<u>4,322,775</u>	<u>4,173,381</u>
The carrying amount of non-controlling interests	<u>\$ 2,699,071</u>	<u>2,439,936</u>	<u>2,355,456</u>

	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021	2020
Net sales	<u>\$ 4,046,855</u>	<u>3,825,859</u>	<u>12,406,258</u>	<u>10,990,178</u>
Net income	\$ 267,989	116,266	709,202	225,737
Other comprehensive income (loss)	(9,640)	36,432	(25,671)	(28,796)
Total comprehensive income	<u>\$ 258,349</u>	<u>152,698</u>	<u>683,531</u>	<u>196,941</u>
Net income attributable to non-controlling interests	<u>\$ 151,336</u>	<u>65,621</u>	<u>400,371</u>	<u>127,406</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 146,472</u>	<u>86,183</u>	<u>386,518</u>	<u>111,154</u>

	For the nine months ended September 30, 2021	2020
Cash flow from operating activities	\$ 722,792	1,042,618
Cash flow from investing activities	(438,348)	(529,221)
Cash flow from financing activities	(248,073)	(413,427)
Effects of foreign exchange rate changes	(38,979)	25,267
Net increase (decrease) in cash and cash equivalents	<u>\$ (2,608)</u>	<u>125,237</u>
Cash dividends paid to non-controlling interests	<u>\$ (126,690)</u>	<u>90,493</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) The summarized financial information of BBHC:

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 2,450,245	2,399,340	1,710,609
Non-current assets	7,883,968	8,055,836	8,044,264
Current liabilities	(4,608,437)	(3,952,233)	(3,323,818)
Non-current liabilities	(791,562)	(2,607,564)	(2,597,735)
Net assets	<u>\$ 4,934,214</u>	<u>3,895,379</u>	<u>3,833,320</u>
The carrying amount of non-controlling interests	<u>\$ 1,499,245</u>	<u>1,184,330</u>	<u>1,164,533</u>

	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021	2020
Net sales	<u>\$ 2,371,516</u>	<u>2,066,284</u>	<u>6,933,120</u>	<u>5,297,121</u>
Net income	\$ 200,488	63,701	1,062,794	69,346
Other comprehensive income	(1,694)	115,880	51,977	79,874
Total comprehensive income	<u>\$ 198,794</u>	<u>179,581</u>	<u>1,114,771</u>	<u>149,220</u>
Net income attributable to non-controlling interests	<u>\$ 60,046</u>	<u>19,078</u>	<u>318,307</u>	<u>20,769</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 57,998</u>	<u>32,919</u>	<u>309,066</u>	<u>6,804</u>

	For the nine months ended September 30, 2021	2020
Cash flow from operating activities	\$ 1,888,405	450,733
Cash flow from investing activities	(478,300)	(230,505)
Cash flow from financing activities	(1,149,018)	(80,254)
Effects of foreign exchange rate changes	32,394	54,654
Net increase in cash and cash equivalents	<u>\$ 293,481</u>	<u>194,628</u>
Cash dividends paid to non-controlling interests	<u>\$ -</u>	<u>-</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 3) The summarized financial information of DFI:

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 7,871,258	5,546,713	5,536,404
Non-current assets	6,559,366	5,554,031	5,600,526
Current liabilities	(5,858,354)	(2,771,923)	(2,850,468)
Non-current liabilities	(859,006)	(536,101)	(521,511)
Net assets	<u>\$ 7,713,264</u>	<u>7,792,720</u>	<u>7,764,951</u>
The carrying amount of non-controlling interests	<u>\$ 4,160,868</u>	<u>3,992,047</u>	<u>3,977,762</u>
	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021
	<u>2021</u>	<u>2020</u>	<u>2021</u>
Net sales	<u>\$ 3,739,571</u>	<u>2,040,282</u>	<u>9,018,856</u>
Net income	\$ 111,459	91,780	328,137
Other comprehensive income (loss)	(6,655)	5,422	(44,462)
Total comprehensive income	<u>\$ 104,804</u>	<u>97,202</u>	<u>283,675</u>
Net income attributable to non-controlling interests	<u>\$ 60,581</u>	<u>53,014</u>	<u>188,975</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 56,997</u>	<u>27,858</u>	<u>166,663</u>
		For the nine months ended September 30, 2021	2020
Cash flow from operating activities		\$ (725,469)	98,349
Cash flow from investing activities		(487,415)	31,321
Cash flow from financing activities		862,685	(462,709)
Effects of foreign exchange rate changes		(42,900)	(12,311)
Net decrease in cash and cash equivalents		<u>\$ (393,099)</u>	<u>(345,350)</u>
Cash dividends paid to non-controlling interests		<u>\$ 154,230</u>	<u>257,050</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 4) The summarized financial information of Sysage:

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 6,910,116	6,541,097	6,439,689
Non-current assets	2,838,362	2,507,804	2,505,665
Current liabilities	(3,957,780)	(3,146,894)	(3,108,449)
Non-current liabilities	(657,958)	(576,073)	(609,617)
Net assets	<u>\$ 5,132,740</u>	<u>5,325,934</u>	<u>5,227,288</u>
The carrying amount of non-controlling interests	<u>\$ 2,515,423</u>	<u>3,468,194</u>	<u>3,415,433</u>

	For the three months ended September 30, 2021	2020	For the nine months ended September 30, 2021	2020
Net sales	<u>\$ 3,164,845</u>	<u>3,422,583</u>	<u>8,906,847</u>	<u>10,485,872</u>
Net income	\$ 138,693	142,887	453,352	428,515
Other comprehensive income (loss)	(18,367)	-	(11,412)	-
Total comprehensive income	<u>\$ 120,326</u>	<u>142,887</u>	<u>441,940</u>	<u>428,515</u>
Net income attributable to non-controlling interests	<u>\$ 70,455</u>	<u>95,235</u>	<u>262,438</u>	<u>284,390</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 61,530</u>	<u>95,235</u>	<u>257,351</u>	<u>284,390</u>

	For the nine months ended September 30, 2021	2020
Cash flow from operating activities	\$ 102,266	282,760
Cash flow from investing activities	124,675	(139,583)
Cash flow from financing activities	239,128	(213,080)
Effects of foreign exchange rate changes	(7,724)	-
Net increase (decrease) in cash and cash equivalents	<u>\$ 458,345</u>	<u>(69,903)</u>
Cash dividends paid to non-controlling interests	<u>\$ 228,790</u>	<u>367,072</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) The summarized financial information of Alpha:

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 18,238,272	20,706,337	20,109,930
Non-current assets	9,648,426	9,951,500	10,212,455
Current liabilities	(11,432,799)	(13,715,201)	(13,060,761)
Non-current liabilities	(904,859)	(952,481)	(1,594,054)
Net assets	<u><u>\$ 15,549,040</u></u>	<u><u>15,990,155</u></u>	<u><u>15,667,570</u></u>
The carrying amount of non-controlling interests	<u><u>\$ 7,349,290</u></u>	<u><u>7,628,139</u></u>	<u><u>9,257,804</u></u>
	For the three months ended September 30, 2021	For the nine months ended September 30, 2021	July 23, 2020 to September 30, 2020
Net sales	<u><u>\$ 6,705,956</u></u>	<u><u>21,454,273</u></u>	<u><u>6,650,693</u></u>
Net income	\$ 100,907	276,776	183,468
Other comprehensive income (loss)	(15,114)	(44,306)	61,894
Total comprehensive income	<u><u>\$ 85,793</u></u>	<u><u>232,470</u></u>	<u><u>245,362</u></u>
Net income attributable to non-controlling interests	<u><u>\$ 57,354</u></u>	<u><u>142,746</u></u>	<u><u>113,599</u></u>
Total comprehensive income attributable to non-controlling interests	<u><u>\$ 49,668</u></u>	<u><u>121,069</u></u>	<u><u>131,081</u></u>
		For the nine months ended September 30, 2021	July 23, 2020 to September 30, 2020
Cash flow from operating activities		\$ (1,191,350)	120,136
Cash flow from investing activities		(781,820)	(22,760)
Cash flow from financing activities		(177,761)	151,301
Effects of foreign exchange rate changes		(45,866)	-
Net increase (decrease) in cash and cash equivalents		<u><u>\$ (2,196,797)</u></u>	<u><u>248,677</u></u>
Cash dividends paid to non-controlling interests		<u><u>\$ 216,772</u></u>	<u><u>-</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost:						
Balance at January 1, 2021	\$ 6,437,888	26,766,386	19,425,297	5,844,304	1,109,635	59,583,510
Additions	181,650	573,951	1,421,808	1,431,682	712,565	4,321,656
Acquisition through business combination	130,083	400,068	152,843	59,008	998	743,000
Disposals	-	(16,228)	(639,073)	(516,661)	-	(1,171,962)
Reclassification to non-current assets held for sale	(212,156)	(178,328)	(8,253)	(13,677)	-	(412,414)
Reclassification to investment property	(31,822)	-	-	-	-	(31,822)
Other reclassification and effect of exchange rate changes	(77,320)	642,085	157,267	(675,914)	(555,789)	(509,671)
Balance at September 30, 2021	<u>\$ 6,428,323</u>	<u>28,187,934</u>	<u>20,509,889</u>	<u>6,128,742</u>	<u>1,267,409</u>	<u>62,522,297</u>
Balance at January 1, 2020	\$ 5,682,857	21,306,465	15,914,940	4,615,020	345,142	47,864,424
Additions	6,586	278,459	780,698	813,852	739,625	2,619,220
Acquisition through business combination	941,437	4,456,724	2,806,125	1,183,627	561,539	9,949,452
Disposals	-	(24,344)	(450,238)	(186,535)	-	(661,117)
Reclassification to non-current assets held for sale	(163,057)	(307,511)	-	-	-	(470,568)
Reclassification to investment property	(9,763)	(3,976)	-	-	-	(13,739)
Other reclassification and effect of exchange rate changes	(65,558)	552,602	(95,103)	(312,046)	(608,116)	(528,221)
Balance at September 30, 2020	<u>\$ 6,392,502</u>	<u>26,258,419</u>	<u>18,956,422</u>	<u>6,113,918</u>	<u>1,038,190</u>	<u>58,759,451</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2021	\$ -	11,874,445	13,561,891	3,958,946	-	29,395,282
Depreciation	-	772,748	1,156,659	334,770	-	2,264,177
Acquisition through business combination	-	81,440	82,369	39,062	-	202,871
Disposals	-	(12,402)	(511,255)	(319,110)	-	(842,767)
Reclassification to non-current assets held for sale	-	(87,583)	(5,548)	(5,665)	-	(98,796)
Other reclassification and effect of exchange rate changes	-	(89,008)	(93,941)	(70,608)	-	(253,557)
Balance at September 30, 2021	<u>\$ -</u>	<u>12,539,640</u>	<u>14,190,175</u>	<u>3,937,395</u>	<u>-</u>	<u>30,667,210</u>
Balance at January 1, 2020	\$ -	9,586,415	11,229,958	3,132,073	-	23,948,446
Depreciation	-	606,672	899,578	334,251	-	1,840,501
Acquisition through business combination	-	1,917,784	1,985,724	605,491	-	4,508,999
Disposals	-	(24,042)	(381,978)	(176,304)	-	(582,324)
Reclassification to non-current assets held for sale	-	(277,838)	-	(73,449)	-	(351,287)
Reclassification to investment property	-	(709)	-	-	-	(709)
Other reclassification and effect of exchange rate changes	-	(136,155)	(127,348)	113,801	-	(149,702)
Balance at September 30, 2020	<u>\$ -</u>	<u>11,672,127</u>	<u>13,605,934</u>	<u>3,935,863</u>	<u>-</u>	<u>29,213,924</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Carrying amount:						
Balance at September 30, 2021	\$ <u>6,428,323</u>	<u>15,648,294</u>	<u>6,319,714</u>	<u>2,191,347</u>	<u>1,267,409</u>	<u>31,855,087</u>
Balance at January 1, 2021	\$ <u>6,437,888</u>	<u>14,891,941</u>	<u>5,863,406</u>	<u>1,885,358</u>	<u>1,109,635</u>	<u>30,188,228</u>
Balance at September 30, 2020	\$ <u>6,392,502</u>	<u>14,586,292</u>	<u>5,350,488</u>	<u>2,178,055</u>	<u>1,038,190</u>	<u>29,545,527</u>

Please refer to note 6(j) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

Refer to note 8 for a description of the Group's property, plant and equipment pledged as collateral for long-term debt.

(k) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2021	\$ 4,087,827	2,719,463	37,771	6,845,061
Acquisition through business combination	-	81,979	4,685	86,664
Additions	-	169,996	16,956	186,952
Derecognition of subsidiaries	-	(24,416)	-	(24,416)
Decrease	-	(136,272)	(11,065)	(147,337)
Other reclassification and effect of exchange rate changes	79,176	(195,574)	18,128	(98,270)
Balance at September 30, 2021	<u>\$ 4,167,003</u>	<u>2,615,176</u>	<u>66,475</u>	<u>6,848,654</u>
Balance at January 1, 2020	\$ 2,285,678	2,973,814	36,861	5,296,353
Additions	-	177,433	5,860	183,293
Acquisition through business combination	1,282,610	151,056	9,555	1,443,221
Reclassification to investment property	-	(396,935)	-	(396,935)
Reclassification from other non-current assets	598,198	-	-	598,198
Decrease	-	(103,943)	(4,332)	(108,275)
Other reclassification and effect of exchange rate changes	(51,308)	(42,519)	(4,115)	(97,942)
Balance at September 30, 2020	<u>\$ 4,115,178</u>	<u>2,758,906</u>	<u>43,829</u>	<u>6,917,913</u>
Accumulated depreciation:				
Balance at January 1, 2021	\$ 814,397	1,304,033	20,075	2,138,505
Depreciation	78,293	332,959	12,812	424,064
Acquisition through business combination	-	12,104	-	12,104
Derecognition of subsidiaries	-	(3,607)	-	(3,607)
Decrease	-	(121,356)	(10,643)	(131,999)
Other reclassification and effect of exchange rate changes	42,478	(131,632)	7,694	(81,460)
Balance at September 30, 2021	<u>\$ 935,168</u>	<u>1,392,501</u>	<u>29,938</u>	<u>2,357,607</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Balance at January 1, 2020	\$ 723,385	1,050,396	20,036	1,793,817
Depreciation	40,887	295,462	8,370	344,719
Acquisition through business combination	69,607	69,312	2,318	141,237
Reclassification to investment property	-	(95,927)	-	(95,927)
Decrease	-	(103,943)	(4,332)	(108,275)
Effect of exchange rate changes	(46,490)	30,510	(2,563)	(18,543)
Balance at September 30, 2020	<u>\$ 787,389</u>	<u>1,245,810</u>	<u>23,829</u>	<u>2,057,028</u>
Carrying amount:				
Balance at September 30, 2021	<u>\$ 3,231,835</u>	<u>1,222,675</u>	<u>36,537</u>	<u>4,491,047</u>
Balance at January 1, 2021	<u>\$ 3,273,430</u>	<u>1,415,430</u>	<u>17,696</u>	<u>4,706,556</u>
Balance at September 30, 2020	<u>\$ 3,327,789</u>	<u>1,513,096</u>	<u>20,000</u>	<u>4,860,885</u>

(l) Investment property

	<u>Buildings</u>	<u>Land use rights</u>	<u>Total</u>
Carrying amount:			
Balance at September 30, 2021	<u>\$ 2,757,831</u>	<u>677,032</u>	<u>3,434,863</u>
Balance at January 1, 2021	<u>\$ 2,978,080</u>	<u>582,950</u>	<u>3,561,030</u>
Balance at September 30, 2020	<u>\$ 2,975,184</u>	<u>582,036</u>	<u>3,557,220</u>

There were no significant additions, disposals, or recognition and reversal of impairment losses of investment property for the nine months ended September 30, 2021 and 2020. Please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

There is no significant difference as compared with the fair value of the investment property disclosed in the note 6(l) of the consolidated financial statements for the year ended December 31, 2020.

Investment property comprises a number of commercial properties, factories and right-of-use assets that the Group leased to third parties under operating lease.

Refer to note 8 for a description of the Group's investment property pledged as collateral for bank loans.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Intangible assets

	<u>Goodwill</u>	<u>Computer software</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
Costs:							
Balance at January 1, 2021	\$ 5,281,296	1,020,811	853,870	1,506,189	2,056,637	646,099	11,364,902
Addition	-	343,302	-	-	-	77,005	420,307
Acquisition through business combination	286,039	12,555	2,320	565,893	117,063	384,432	1,368,302
Disposal	-	(36,352)	-	-	-	(19,307)	(55,659)
Reclassification and effect of exchange rate changes	18,583	(8,127)	(789)	8,929	(5,810)	(17,347)	(4,561)
Balance at September 30, 2021	<u>\$ 5,585,918</u>	<u>1,332,189</u>	<u>855,401</u>	<u>2,081,011</u>	<u>2,167,890</u>	<u>1,070,882</u>	<u>13,093,291</u>
Balance at January 1, 2020	\$ 2,980,359	597,622	73,732	1,203,307	1,370,023	183,013	6,408,056
Addition	-	115,039	-	-	-	30,247	145,286
Acquisition through business combination	2,406,979	246,322	837,674	243,164	609,067	470,266	4,813,472
Disposal	-	(4,964)	-	-	-	(25,503)	(30,467)
Reclassification and effect of exchange rate changes	(72,044)	8,579	(1,628)	(243)	78,739	(26,186)	(12,783)
Balance at September 30, 2020	<u>\$ 5,315,294</u>	<u>962,598</u>	<u>909,778</u>	<u>1,446,228</u>	<u>2,057,829</u>	<u>631,837</u>	<u>11,323,564</u>
Accumulated amortization and impairment loss:							
Balance at January 1, 2021	\$ 10,144	802,730	123,716	457,862	572,278	279,277	2,246,007
Amortization	-	157,031	122,889	132,378	172,324	127,913	712,535
Disposal	-	(36,352)	-	-	-	(19,307)	(55,659)
Acquisition through business combination	-	11,059	3	-	-	234	11,296
Reclassification and effect of exchange rate changes	-	1,676	(599)	(33)	(2,504)	(21,293)	(22,753)
Balance at September 30, 2021	<u>\$ 10,144</u>	<u>936,144</u>	<u>246,009</u>	<u>590,207</u>	<u>742,098</u>	<u>366,824</u>	<u>2,891,426</u>
Balance at January 1, 2020	\$ 3,792	489,590	52,602	307,805	349,384	135,772	1,338,945
Amortization	-	94,624	31,376	94,964	140,378	45,248	406,590
Acquisition through business combination	-	184,348	314	13,409	25,728	122,369	346,168
Impairment loss	6,585	-	-	-	-	-	6,585
Disposal	-	(4,964)	-	-	-	(25,503)	(30,467)
Reclassification and effect of exchange rate changes	-	9,170	(1,070)	36	2,096	(23,422)	(13,190)
Balance at September 30, 2020	<u>\$ 10,377</u>	<u>772,768</u>	<u>83,222</u>	<u>416,214</u>	<u>517,586</u>	<u>254,464</u>	<u>2,054,631</u>
Carrying amount:							
Balance at September 30, 2021	<u>\$ 5,575,774</u>	<u>396,045</u>	<u>609,392</u>	<u>1,490,804</u>	<u>1,425,792</u>	<u>704,058</u>	<u>10,201,865</u>
Balance at January 1, 2021	<u>\$ 5,271,152</u>	<u>218,081</u>	<u>730,154</u>	<u>1,048,327</u>	<u>1,484,359</u>	<u>366,822</u>	<u>9,118,895</u>
Balance at September 30, 2020	<u>\$ 5,304,917</u>	<u>189,830</u>	<u>826,556</u>	<u>1,030,014</u>	<u>1,540,243</u>	<u>377,373</u>	<u>9,268,933</u>

According to IAS 36, goodwill arising from a business combination is tested at least annually. Based on the results of impairment tests conducted by the Group as of December 31, 2020, there were no impairment losses. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2020. As of September 30, 2021, the Group assessed the achievement of expected revenue for the nine months ended September 30, 2021, and there were no indications of impairment.

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The Group assessed the achievement of expected revenue in the third quarter of 2020. Except for the CGU of PTSE and PTME, to which there were indications of impairment and impairment loss of \$5,085 and \$1,500, respectively, was recognized for the nine months ended September 30, 2020, as a result of the impairment test, there were no indications of impairment of other CGUs.

(n) Short-term borrowings

(i) The details of short-term borrowings were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured bank loans	\$ 31,108,301	20,847,734	23,620,642
Secured bank loans	223,986	284,196	470,546
Letters of credits	-	-	27,367
	<u>\$ 31,332,287</u>	<u>21,131,930</u>	<u>24,118,555</u>
Unused credit facilities	<u>\$ 59,714,732</u>	<u>56,994,411</u>	<u>50,399,042</u>
Interest rate	<u>0.18%~4.25%</u>	<u>0.18%~4.2%</u>	<u>0.18%~4.30%</u>

(ii) Refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(o) Long-term debt

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured bank loans	\$ 21,185,587	17,840,802	12,055,469
Secured bank loans	4,091,159	5,062,533	5,544,825
Less: current portion of long-term debt	(687,132)	(536,537)	(411,387)
Long-term debt	<u>\$ 24,589,614</u>	<u>22,366,798</u>	<u>17,188,907</u>
Unused credit facilities	<u>\$ 16,396,199</u>	<u>19,213,412</u>	<u>18,509,922</u>
Interest rate	<u>0.73%~3.85%</u>	<u>1.05%~4.60%</u>	<u>1.05%~4.60%</u>
Maturity year	<u>2021~ 2030</u>	<u>2021~ 2030</u>	<u>2021~ 2030</u>

(i) Collateral for bank borrowings

Refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

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QISDA CORPORATION AND SUBSIDIARIES
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(ii) Low interest rate loan from government assistance

In early 2020, the Group obtained the low interest rate loans from the bank in accordance with "Guidelines of Project Loans for Returning Overseas Taiwanese Businesses". The preferential interest rate is 0.63%~0.8128%. As of September 30, 2021, the related loan amount was \$2,727,377. The estimated fair value of the loan was \$2,680,746, using the prevailing market interest rate of 1.05%~1.30%. The difference of \$46,631 was regarded as government grant and was recognized as deferred income. For the nine months ended September 30, 2021, the deferred income of \$10,656 was transferred and recognized in other income.

(iii) Compliance with loan agreement

According to the syndicated loan agreement signed between the Company and its subsidiary (QLLB), and the banks, the Company and QLLB have promised to maintain certain financial ratios based on the Group's semi-annual reviewed consolidated financial statements and annual audited consolidated financial statements. If the Group violates any of the related financial ratios, the Group should mend it in a specific period, and then the failure to maintain the required financial ratios would not be considered a default. The Group has also pledged the Company's stock to secure the syndicated loan and has to maintain the fair value of the related pledged stock at a specific percentage of the loan.

Furthermore, according to the syndicated loan agreement signed between BMC and the banks, BMC has promised to maintain certain financial ratios, including current ratio, debt ratio and minimum tangible net worth, based on BMC's annual audited consolidated financial statements. If BMC violates any of the related financial ratios, according to the syndicated loan agreement, BMC shall file an application for waiver and financial improvement plan to the managing bank. Failure to maintain the required financial ratios would not be considered a default unless a resolution is made by a majority of the banks to refuse to grant a waiver to BMC.

For the year ended December 31, 2020, the Company's and QLLB's and BMC's financial ratio was in compliance with the syndicated loan agreement.

(p) Bonds payable

The details of Interactive Digital's unsecured convertible corporate bonds were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Total convertible corporate bonds issued	\$ 600,000	600,000	600,000
Unamortized bond discount	(9,187)	(17,393)	(21,644)
Cumulative converted amount	(131,000)	(56,100)	-
Bonds payable	<u>\$ 459,813</u>	<u>526,507</u>	<u>578,356</u>
Embedded derivative – call and put options, included in financial assets (liabilities) at fair value through profit or loss	<u>\$ 47</u>	<u>543</u>	<u>(1,020)</u>

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of September 30, 2021, the above convertible corporate bonds have been converted into 1,807 thousand shares of Interactive Digital's common stock.

In response to future operational needs, Interactive Digital purchased office buildings and warehouses. The issuance of unsecured convertible corporate bonds was approved by the Financial Supervisory Commission of the Republic of China on November 6, 2019. The related conditions are as follows:

Par value	\$600,000
Issued date	November 22, 2019
Coupon rate	0%
Issued period	November 22, 2019 to November 22, 2022
Redemption at maturity	Other than converting as Interactive Digital's ordinary share, or exercising put option, or early redeeming or repurchasing the bonds from securities dealers to write off, Interactive Digital will repay the convertible bond in cash at par value upon maturity.
Redemption at the option of Digital Interactive	1.If the closing price of the Interactive Digital's ordinary share exceeds 30% of the conversion price for 30 consecutive trading days from 3 months after the issuance of the bonds to 40th day before maturity, Digital Interactive shall redeem the outstanding bonds at par value. 2.If the balance of the outstanding bonds is less than \$60,000 from 3 months after the issuance of the bonds to 40th day before maturity, Digital Interactive shall redeem the outstanding bonds at par value.
Repurchase at the option of bondholder	If the bond has been issued for 2 years, the bondholder may request Interactive Digital to redeem the bond at par value, plus interest, within 40th day before maturity. The interest rate for the bond issued for 2 years was 0.5% at par value.
Conversion period	The bondholder may request the stock agency of Interactive Digital to convert the bond to ordinary shares from the 3 months after issuance to maturity date, except during the period in which the transfer is suspended by laws.
Conversion price	The conversion price was set at \$ 78.5 (New Taiwan Dollars) at the time of issuance. Starting July 27, 2020, the conversion price had been adjusted to \$72.5 (New Taiwan Dollars). As of September 30, 2021, the conversion price was \$67 (New Taiwan Dollars).

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(q) Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Current	\$ <u>456,401</u>	<u>455,040</u>	<u>466,317</u>
Non-current	\$ <u>1,396,554</u>	<u>1,565,596</u>	<u>1,674,244</u>

Please refer to note 6(ab) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2021	2021	2020
Expenses relating to short-term leases	\$ <u>29,851</u>	<u>21,262</u>	<u>90,925</u>	<u>63,455</u>
Income from sub-leasing right-of-use assets	\$ <u>11,542</u>	<u>11,540</u>	<u>34,621</u>	<u>34,529</u>
Interest on lease liabilities	\$ <u>9,175</u>	<u>10,768</u>	<u>28,600</u>	<u>30,712</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the nine months ended September 30,	
	2021	2020
Total cash outflow for leases	\$ <u>516,074</u>	<u>439,770</u>

(i) Real estate leases

The Group leases buildings for its office, store and factory. The leases for land use rights, which are usually prepaid rents, typically run for a period of 50 years. The leases for buildings typically run for a period of 3 to 10 years. The Group has to negotiate the new lease term and recognize relevant right-of-use assets and lease liabilities when the lease expires. Some of the leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases transportation equipment, with lease terms of 1 to 5 years. In addition, the Group leases some plants, dormitory, and transportation equipment with contract terms within one year. These leases are short-term and the Group has elected to applied exemption and not to recognize right-of-use assets and lease liabilities.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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(r) Provisions

	<u>Warranties</u>	<u>Restructuring</u>	<u>Total</u>
Balance at September 30, 2021	\$ <u>1,449,357</u>	<u>-</u>	<u>1,449,357</u>
Current	\$ <u>781,766</u>	<u>-</u>	<u>781,766</u>
Non-current	\$ <u>667,591</u>	<u>-</u>	<u>667,591</u>
Balance at December 31, 2020	\$ <u>1,496,424</u>	<u>-</u>	<u>1,496,424</u>
Current	\$ <u>808,823</u>	<u>-</u>	<u>808,823</u>
Non-current	\$ <u>687,601</u>	<u>-</u>	<u>687,601</u>
Balance at September 30, 2020	\$ <u>1,434,668</u>	<u>1,000</u>	<u>1,435,668</u>
Current	\$ <u>773,752</u>	<u>1,000</u>	<u>774,752</u>
Non-current	\$ <u>660,916</u>	<u>-</u>	<u>660,916</u>

There was no significant change in provision for the nine months ended September 30, 2021 and 2020. Please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

(s) Operating lease—the Group acts as a lessor

There were no significant additions in operating lease contracts for the nine months ended September 30, 2021 and 2020. Please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

(t) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material curtailment and settlement or other material one-time events occurred during the nine months ended September 30, 2021 and 2020. As a result, the pension cost in the accompanying interim periods was measured and disclosed according to the actuarial report as of December 31, 2020 and 2019.

The expenses recognized in profit or loss were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Operating cost	\$ 1,037	745	3,022	2,352
Operating expenses	936	925	2,896	2,658
	<u>\$ 1,973</u>	<u>1,670</u>	<u>5,918</u>	<u>5,010</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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(ii) Defined contribution plans

The pension expenses recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Operating cost	\$ 136,635	76,353	383,826	206,568
Operating expenses	123,623	93,020	367,801	233,459
	<u>\$ 260,258</u>	<u>169,373</u>	<u>751,627</u>	<u>440,027</u>

(u) Income taxes

(i) The components of income tax expense were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Income tax expense	<u>\$ 594,001</u>	<u>473,311</u>	<u>2,024,701</u>	<u>1,335,063</u>

(ii) The components of income tax recognized in other comprehensive income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	2021	2020
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>\$ 8,547</u>	<u>-</u>	<u>109,341</u>	<u>-</u>

(iii) The Company's income tax returns for the years through 2018 have been examined and approved by the R.O.C. income tax authorities.

(v) Capital and other equity

(i) Common stock

As of September 30, 2021, December 31 and September 30, 2020, the Company's authorized shares of common stock consisted of 5,000,000,000 shares, of which 1,966,781,958 shares were issued and outstanding. The par value of the Company's common stock is \$10 (Dollars) per share.

As of September 30, 2021, December 31 and September 30, 2020, the Company had issued 285 thousand units of global depository receipts (GDRs). The GDRs were listed on the Luxembourg Stock Exchange, and each GDR represents five common shares.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

	September 30, 2021	December 31, 2020	September 30, 2020
Changes in equity of associates accounted for using the equity method	\$ 674	97,612	73,130
Changes in ownership interests in subsidiaries	1,789,835	1,781,889	1,777,705
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	-	-	54,384
	<u>\$ 1,790,509</u>	<u>1,879,501</u>	<u>1,905,219</u>

Pursuant to the Company Act, any realized capital surplus is initially used to cover an accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends based on the original shareholding ratio or distributed as cash dividends based on a resolution approved by the stockholders. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations from stockholders received by the Company. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(iii) Unappropriated earnings and dividend policy

The Company's Articles of incorporation stipulate that at least 10% of annual net income after deducting an accumulated deficit, if any, must be retained as a legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve should be set aside or reversed in accordance with applicable laws and regulations. The remaining balance of the annual net income, together with unappropriated earnings from previous years, if any, can be distributed as dividends after the earnings distribution plan proposed by the Board of Directors and approved during the stockholders' meeting. The abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

As the Company is a technology- and capital-intensive enterprise in its growing phase, the Company has adopted a remaining earnings appropriation method as its dividend policy in order to meet long-term capital needs and cash requirements of stockholders, and thereby maintain continuous development and steady growth.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Company's requirements for future expansion and cash flow are the primary factors that the Company considers when appropriating its earnings. The distribution ratio for cash dividends shall not be less than 10% of the total distribution.

1) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve to shareholders by issuing new shares or by distributing cash for the portion in excess of 25% of the paid-in capital. According to the Company Act and the Company's articles of Incorporation, the abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

2) Special reserve

In accordance with Rule No. 1010012865 issued by the Financial Supervisory Commission on April 6, 2012, a special reserve equal to the total amount of items that were accounted for as deductions from stockholders' equity shall be set aside from current and prior-year earnings. This special reserve shall revert to the retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

3) Earnings distribution

The appropriation of 2020 earnings, via cash dividends, has been approved by the Company's Board of Directors on May 11, 2021. The other remaining appropriation items of 2020 earnings has been approved by the shareholders during their meeting on August 27, 2021. The cash dividends of appropriation of 2019 earnings were approved by the Company's Board of Directors on May 7, 2020. Other appropriation of 2019 earnings were approved by the shareholders during their meeting on June 19, 2020. The resolved appropriation were as follows:

	<u>2020 earnings</u>		<u>2019 earnings</u>	
	<u>Dividends per share</u>		<u>Dividends per share</u>	
	<u>(in dollars)</u>	<u>Amount</u>	<u>(in dollars)</u>	<u>Amount</u>
Legal reserve		\$ <u>455,392</u>		<u>357,505</u>
Special reserve		\$ <u>656,137</u>		<u>440,086</u>
Dividends per share:				
Cash dividends	\$ 1.50	<u>2,950,173</u>	0.75	<u>1,475,086</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity items (net after tax)

1) Foreign currency translation differences:

	For the nine months ended September 30,	
	2021	2020
Balance at January 1	\$ (1,413,867)	(657,512)
Foreign exchange differences arising from translation of foreign operations	(199,029)	(383,774)
Shares of foreign currency translation differences of associates and joint ventures	(105,343)	(126,585)
Balance at September 30	<u><u>\$ (1,718,239)</u></u>	<u><u>(1,167,871)</u></u>

2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income:

	For the nine months ended September 30,	
	2021	2020
Balance at January 1	\$ 571,329	410,052
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(3,226,211)	(27,387)
Disposal of financial assets at fair value through other comprehensive income	(178,405)	(3,885)
Share of other comprehensive income (loss) of associates	(84)	(86,909)
Balance at September 30	<u><u>\$ (2,833,371)</u></u>	<u><u>291,871</u></u>

3) Remeasurement of defined benefit plans:

	For the nine months ended September 30,	
	2021	2020
Balance at January 1	\$ (422,107)	(361,048)
Share of other comprehensive loss of associates	(105)	-
Balance at September 30	<u><u>\$ (422,212)</u></u>	<u><u>(361,048)</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Non-controlling interests (net after tax)

	For the nine months ended September 30,	
	2021	2020
Effects of retrospective application	\$ 22,937,719	14,091,635
Equity attributable to non-controlling interests		
Net income	1,637,796	855,179
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	(1,322,949)	(357,512)
Stock option compensation cost of subsidiary	5,849	7,229
Changes in ownership interest in subsidiaries	(7,946)	51,612
Foreign currency translation differences	(86,928)	(29,035)
Capital surplus—Changes in equity of associates and joint ventures accounted for using the equity method	1,057	4,630
Remeasurement of the defined benefit plans—Changes in equity of associates accounted for using the equity method	(99)	-
Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	(205)	(2,964)
Distribution of cash dividend by subsidiaries	(1,242,494)	(953,794)
Capital injection from non-controlling interests	77,547	143,696
Changes in non-controlling interests	<u>1,218,159</u>	<u>10,442,446</u>
	<u>\$ 23,217,506</u>	<u>24,253,122</u>

(w) Share-based payment

There was no significant change in share-based payment for the nine months ended September 30, 2021 and 2020. Please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

(x) Earnings per share (“EPS”)

(i) Basic earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2021	2021	2020
Profit attributable to shareholders of the Company	\$ <u>1,395,322</u>	<u>2,046,125</u>	<u>7,312,256</u>	<u>3,227,295</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>1,966,782</u>	<u>1,966,782</u>	<u>1,966,782</u>	<u>1,966,782</u>
Basic earnings per share (in New Taiwan Dollars)	<u>\$ 0.71</u>	<u>1.04</u>	<u>3.72</u>	<u>1.64</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Profit attributable to shareholders of the Company	<u>\$ 1,395,322</u>	<u>2,046,125</u>	<u>7,312,256</u>	<u>3,227,295</u>
Weighted-average number of ordinary shares outstanding (in thousands)	1,966,782	1,966,782	1,966,782	1,966,782
Effect of dilutive potential common stock:				
Remuneration to employee	<u>29,781</u>	<u>21,289</u>	<u>33,963</u>	<u>28,139</u>
Weighted-average number of ordinary shares outstanding (including effect of dilutive potential common stock)	<u>1,996,563</u>	<u>1,988,071</u>	<u>2,000,745</u>	<u>1,994,921</u>
Diluted earnings per share (in New Taiwan Dollars)	<u>\$ 0.70</u>	<u>1.03</u>	<u>3.65</u>	<u>1.62</u>

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended September 30, 2021						
	DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:						
Asia	\$ 17,639,149	8,645,742	4,018,078	1,884,636	2,363,506	34,551,111
Europe	2,213,761	2,573,569	8,973	513,151	-	5,309,454
America	8,923,266	3,783,845	15,558	4,307,929	-	17,030,598
Others	83,169	225,055	1,757	-	-	309,981
	<u>\$ 28,859,345</u>	<u>15,228,211</u>	<u>4,044,366</u>	<u>6,705,716</u>	<u>2,363,506</u>	<u>57,201,144</u>
Major products/services lines:						
Electronic products	\$ 28,525,276	14,795,857	4,044,366	6,620,872	-	53,986,371
Medical services	-	-	-	-	2,363,506	2,363,506
Others	334,069	432,354	-	84,844	-	851,267
	<u>\$ 28,859,345</u>	<u>15,228,211</u>	<u>4,044,366</u>	<u>6,705,716</u>	<u>2,363,506</u>	<u>57,201,144</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended September 30, 2020						
	DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:						
Asia	\$ 15,471,181	8,901,602	3,800,791	1,018,209	2,064,647	31,256,430
Europe	2,460,787	2,741,439	13,334	389,931	-	5,605,491
America	6,971,311	2,060,403	4,450	5,242,553	-	14,278,717
Others	172,560	379,401	1,910	-	-	553,871
	<u>\$ 25,075,839</u>	<u>14,082,845</u>	<u>3,820,485</u>	<u>6,650,693</u>	<u>2,064,647</u>	<u>51,694,509</u>
Major products/services lines:						
Electronic products	\$ 24,943,903	13,750,777	3,803,315	6,650,693	-	49,148,688
Medical services	-	-	-	-	2,064,647	2,064,647
Others	131,936	332,068	17,170	-	-	481,174
	<u>\$ 25,075,839</u>	<u>14,082,845</u>	<u>3,820,485</u>	<u>6,650,693</u>	<u>2,064,647</u>	<u>51,694,509</u>
For the nine months ended September 30, 2021						
	DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:						
Asia	\$ 33,298,673	25,171,144	12,337,268	4,890,390	6,924,542	82,622,017
Europe	18,183,085	8,542,113	24,045	2,241,857	-	28,991,100
America	27,167,388	8,950,040	28,638	14,138,848	-	50,284,914
Others	1,396,224	604,213	7,294	182,938	-	2,190,669
	<u>\$ 80,045,370</u>	<u>43,267,510</u>	<u>12,397,245</u>	<u>21,454,033</u>	<u>6,924,542</u>	<u>164,088,700</u>
Major products/services lines:						
Electronic products	\$ 79,366,338	42,217,935	12,397,245	21,217,065	-	155,198,583
Medical services	-	-	-	-	6,924,542	6,924,542
Others	679,032	1,049,575	-	236,968	-	1,965,575
	<u>\$ 80,045,370</u>	<u>43,267,510</u>	<u>12,397,245</u>	<u>21,454,033</u>	<u>6,924,542</u>	<u>164,088,700</u>
For the nine months ended September 30, 2020						
	DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:						
Asia	\$ 41,672,735	24,874,120	10,921,343	1,018,209	5,295,247	83,781,654
Europe	7,258,067	7,926,860	23,774	389,931	-	15,598,632
America	22,638,880	5,529,543	26,891	5,242,553	-	33,437,867
Others	683,836	1,057,045	8,413	-	-	1,749,294
	<u>\$ 72,253,518</u>	<u>39,387,568</u>	<u>10,980,421</u>	<u>6,650,693</u>	<u>5,295,247</u>	<u>134,567,447</u>
Major products/services lines:						
Electronic products	\$ 71,659,288	38,399,060	10,928,991	6,650,693	-	127,638,032
Medical services	-	-	-	-	5,295,247	5,295,247
Others	594,230	988,508	51,430	-	-	1,634,168
	<u>\$ 72,253,518</u>	<u>39,387,568</u>	<u>10,980,421</u>	<u>6,650,693</u>	<u>5,295,247</u>	<u>134,567,447</u>

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QISDA CORPORATION AND SUBSIDIARIES
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(ii) Contract balances

	September 30, 2021	December 31, 2020	September 30, 2020
Notes and accounts receivable (including related parties)	\$ 33,977,258	36,788,992	36,271,132
Less: loss allowance	(246,459)	(287,066)	(340,008)
	<u>\$ 33,730,799</u>	<u>36,501,926</u>	<u>35,931,124</u>
Contract liabilities	<u>\$ 2,303,002</u>	<u>1,862,107</u>	<u>2,074,188</u>

For details on notes and accounts receivable and related loss allowance, please refer to note 6(d).

The amount of revenue recognized for the nine months ended September 30, 2021 and 2020 that were included in the contract liability balance at January 1, 2021 and 2020, were \$1,567,658 and \$1,302,794, respectively.

(z) Remuneration to employees and directors

The Company's Article of Incorporation requires that earnings shall first to be offset against any deficit, then, a range from 5% to 20% will be distributed as remuneration to its employees and no more than 1% to its directors. Employees who are entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

For the three months and nine months ended September 30, 2021 and 2020, the Company estimated its remuneration to employees amounting to \$168,575, \$235,002, \$853,231 and \$393,851, respectively, and the remuneration to directors amounting to \$12,643, \$17,625, \$63,992 and \$29,539, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by a certain percentage of the remuneration to employees and directors. The estimations are recognized as cost of sales or operating expenses. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year.

The estimated remuneration to employees and directors for 2020 were \$429,669 and \$42,925, respectively, which were the same as the amount approved by the Board of Directors on March 23, 2021 and paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(aa) Non-operating income and loss

(i) Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Interest income from bank deposits	<u>\$ 64,021</u>	<u>67,173</u>	<u>203,787</u>	<u>228,581</u>

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QISDA CORPORATION AND SUBSIDIARIES
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(ii) Other income

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Government grants income	\$ 51,147	36,708	90,927	86,918
Dividend income	267,486	54,135	283,347	61,778
	<u>\$ 318,633</u>	<u>90,843</u>	<u>374,274</u>	<u>148,696</u>

(iii) Other gains and losses—net

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Loss on disposal of property, plant and equipment	\$ 2,786	183	(30,091)	(1,385)
Gain on disposal of investments (notes 6(h) and (i))	169,370	689,717	2,978,378	691,648
Foreign currency exchange gains (losses)	(18,283)	(51,070)	(35,763)	(227,353)
Gains (losses) on financial instruments at fair value through profit or loss	38,191	(49,163)	182,054	129,619
Impairment loss on investments accounted for using equity method (note 6(h))	-	-	(6,632)	-
Gain on disposal of non-current assets/liabilities held for sale (note 6(g))	-	-	449,570	-
Impairment losses on non-financial assets (note 6(m))	-	-	-	(6,585)
Gain on reversal of other payables	-	-	-	459,493
Others	76,615	56,872	273,680	230,774
	<u>\$ 268,679</u>	<u>646,539</u>	<u>3,811,196</u>	<u>1,276,211</u>

(iv) Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Interest expense of bank loans	\$ 161,760	168,412	477,880	571,352
Interest expense on lease liabilities	9,175	10,768	28,600	30,712
	<u>\$ 170,935</u>	<u>179,180</u>	<u>506,480</u>	<u>602,064</u>

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QISDA CORPORATION AND SUBSIDIARIES
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(ab) Financial instruments

Except for the contents mentioned below, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk and market risk arising from financial instruments. For the related information, please refer to notes 6(ab) and 6(ac) of the consolidated financial statements for the year ended December 31, 2020.

(i) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Group manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of September 30, 2021, December 31 and September 30, 2020, the Group had unused credit facilities of \$76,110,931, \$76,207,823 and \$68,908,964, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and interest.

	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
September 30, 2021						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 31,375,146	30,540,182	834,964	-	-	-
Financial liabilities at fair value through profit or loss – contingent consideration (including current and non- current portion)	185,556	2,395	11,666	13,713	157,782	-
Lease liabilities (including current portion and related parties)	2,044,518	251,138	233,280	352,382	735,972	471,746
Long-term debt (including current portion)	26,482,795	490,040	536,914	6,363,425	18,357,808	734,608
Bonds payable	469,000	469,000	-	-	-	-
Notes and accounts payable (including related parties)	38,546,794	38,546,794	-	-	-	-
Other payables (including related parties)	11,410,427	11,410,427	-	-	-	-
Guarantee deposits	403,461	-	-	-	403,461	-
	<u><u>\$ 110,917,697</u></u>	<u><u>81,709,976</u></u>	<u><u>1,616,824</u></u>	<u><u>6,729,520</u></u>	<u><u>19,655,023</u></u>	<u><u>1,206,354</u></u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 11,287,599	11,287,599	-	-	-	-
Inflow	(11,325,118)	(11,325,118)	-	-	-	-
Foreign exchange swaps:						
Outflow	8,659,360	8,659,360	-	-	-	-
Inflow	(8,665,389)	(8,665,389)	-	-	-	-
	<u><u>\$ (43,548)</u></u>	<u><u>(43,548)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2020						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 21,170,029	20,146,732	1,023,297	-	-	-
Financial liabilities at fair value through profit or loss — contingent consideration (including current and non- current portion)	82,766	2,248	2,395	2,096	76,027	-
Lease liabilities (including current portion and related parties)	2,093,994	240,971	233,250	372,429	738,413	508,931
Long-term debt (including current portion)	23,880,844	250,870	580,142	5,633,250	16,550,607	865,975
Bonds payable	526,507	526,507	-	-	-	-
Notes and accounts payable (including related parties)	40,526,320	40,526,320	-	-	-	-
Other payables (including related parties)	12,031,368	12,031,368	-	-	-	-
Guarantee deposits	1,621,811	-	-	-	1,621,811	-
	<u>\$ 101,933,639</u>	<u>73,725,016</u>	<u>1,839,084</u>	<u>6,007,775</u>	<u>18,986,858</u>	<u>1,374,906</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 11,996,316	11,996,316	-	-	-	-
Inflow	(11,983,608)	(11,983,608)	-	-	-	-
Foreign exchange swaps:						
Outflow	4,879,885	4,879,885	-	-	-	-
Inflow	(4,869,127)	(4,869,127)	-	-	-	-
	<u>\$ 23,466</u>	<u>23,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2020						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 24,168,329	23,595,880	572,449	-	-	-
Financial liabilities at fair value through profit or loss — contingent consideration (including current and non- current portion)	91,161	1,806	1,423	13,312	74,620	-
Lease liabilities (including current portion and related parties)	2,333,008	266,737	257,569	447,496	798,737	562,469
Long-term debt (including current portion)	19,938,458	276,452	841,104	1,514,996	16,300,626	1,005,280
Bonds payable	600,000	-	-	600,000	-	-
Notes and accounts payable (including related parties)	36,263,972	36,263,972	-	-	-	-
Other payables (including related parties)	10,404,751	10,404,751	-	-	-	-
Guarantee deposits	1,540,567	1,540,567	-	-	-	-
	<u>\$ 95,340,246</u>	<u>72,350,165</u>	<u>1,672,545</u>	<u>2,575,804</u>	<u>17,173,983</u>	<u>1,567,749</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 12,270,606	12,270,606	-	-	-	-
Inflow	(12,369,768)	(12,369,768)	-	-	-	-
Foreign exchange swaps:						
Outflow	7,695,086	7,695,086	-	-	-	-
Inflow	(7,703,577)	(7,703,577)	-	-	-	-
	<u>\$ (107,653)</u>	<u>(107,653)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Foreign currency risk

The Group's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable (including related-party transactions), notes and accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and loans and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of Group entities and their respective sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

September 30, 2021					
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,415,421	27.8400	39,405,321	1 %	394,053
EUR	88,435	32.2940	2,855,920	1 %	28,559
CNY	2,042,717	4.2996	8,782,866	1 %	87,829
JPY	3,447,689	0.2488	857,785	1 %	8,578
<u>Non-monetary items</u>					
CNY	71,367	4.2996	306,848	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,660,387	27.8400	46,225,174	1 %	462,252
EUR	74,987	32.2940	2,421,630	1 %	24,216
CNY	1,675,398	4.2996	7,203,541	1 %	72,035
JPY	7,146,297	0.2488	1,777,999	1 %	17,780

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2020					
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,553,657	28.3500	44,046,176	1 %	440,462
EUR	82,529	34.9560	2,884,884	1 %	28,849
CNY	1,601,226	4.3216	6,919,858	1 %	69,199
JPY	3,109,307	0.2749	854,748	1 %	8,547
<u>Non-monetary items</u>					
CNY	57,498	4.3216	248,483	-	-
<u>Financial liabilities</u>					
USD	1,749,975	28.3500	49,611,791	1 %	496,118
EUR	41,796	34.9560	1,461,021	1 %	14,610
CNY	1,615,273	4.3216	6,980,564	1 %	69,806
JPY	7,424,353	0.2749	2,040,955	1 %	20,410

September 30, 2020					
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,739,865	29.1260	50,675,308	1 %	506,753
EUR	89,021	34.2230	3,046,566	1 %	30,466
CNY	1,566,551	4.2707	6,690,269	1 %	66,903
JPY	3,186,973	0.2757	878,648	1 %	8,786
<u>Non-monetary items</u>					
CNY	81,939	4.2707	349,937	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,868,894	29.1260	54,433,407	1 %	544,334
EUR	41,898	34.2230	1,433,875	1 %	14,339
CNY	1,427,593	4.2707	6,096,821	1 %	60,968
JPY	6,965,942	0.2757	1,920,510	1 %	19,205

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As the Group deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. Refer to note 6(aa) for the aggregate of realized and unrealized foreign exchange gain (loss) for the three months and nine months ended September 30, 2021 and 2020.

(iii) Categories of financial instruments

1) Financial assets

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at fair value through profit or loss (including current and non-current)	\$ <u>505,239</u>	<u>562,774</u>	<u>304,486</u>
Financial assets at fair value through other comprehensive income (including current and non-current)	<u>14,169,943</u>	<u>1,477,680</u>	<u>1,563,399</u>
Financial assets measured at amortized cost:			
Cash and cash equivalents	16,830,176	22,540,418	17,902,675
Notes and accounts receivable and other receivables (including related parties)	34,765,406	37,480,213	36,876,627
Other financial assets (including current and non-current)	<u>7,954,824</u>	<u>3,672,698</u>	<u>4,712,190</u>
Subtotal	<u>59,550,406</u>	<u>63,693,329</u>	<u>59,491,492</u>
Total	<u><u>\$ 74,225,588</u></u>	<u><u>65,733,783</u></u>	<u><u>61,359,377</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Financial liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Financial liabilities at fair value through profit or loss:			
Held-for-trading	\$ 49,108	135,018	49,360
Call and put option	-	-	1,020
Contingent consideration arising from business combinations	<u>104,529</u>	<u>82,766</u>	<u>91,161</u>
Subtotal	<u>153,637</u>	<u>217,784</u>	<u>141,541</u>
Financial liabilities measured at amortized cost:			
Short-term borrowings	31,332,287	21,131,930	24,118,555
Notes and accounts payable and other payables (including related parties)	49,957,221	52,557,688	46,668,723
Lease liabilities (including current portion and related parties)	1,852,955	2,020,636	2,140,561
Long-term debt (including current portion)	25,276,746	22,903,335	17,600,294
Bonds payable (including current portion)	459,813	526,507	578,356
Other non-current liabilities — guarantee deposits	<u>403,461</u>	<u>1,621,811</u>	<u>1,540,567</u>
Subtotal	<u>109,282,483</u>	<u>100,761,907</u>	<u>92,647,056</u>
Total	<u>\$ 109,436,120</u>	<u>100,979,691</u>	<u>92,788,597</u>

(iv) Fair value information - financial instruments not measured at fair value

The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

(v) Fair value information - Financial instruments measured at fair value

1) Fair value hierarchy

The financial department of the Group evaluates the fair value of financial instruments and utilizes the assistance from external experts or financial institutions for the evaluation of fair value when necessary, and regularly revises the inputs and makes essential adjustments on the fair value to confirm the evaluation results is reasonable.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The financial instruments at fair value through profit and loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The lease liabilities are not required to disclose the fair value. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

September 30, 2021				
Fair Value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	72,636	-	72,636
Foreign exchange swaps	-	20,020	-	20,020
Open-end mutual funds	25,610	-	-	25,610
Listed stocks	58,669	-	-	58,669
Embedded derivative— call and put options of convertible bonds	-	47	-	47
Privately held equity securities	-	-	312,220	312,220
Put option	-	-	10,504	10,504
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>84,279</u>	<u>92,703</u>	<u>328,257</u>	<u>505,239</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	12,029,716	-	-	12,029,716
Domestic emerging stock	-	1,584,371	-	1,584,371
Privately held equity securities	-	-	555,856	555,856
Subtotal	<u>12,029,716</u>	<u>1,584,371</u>	<u>555,856</u>	<u>14,169,943</u>
Total	<u>\$ 12,113,995</u>	<u>1,677,074</u>	<u>884,113</u>	<u>14,675,182</u>
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	(35,117)	-	(35,117)
Foreign exchange swaps	-	(13,991)	-	(13,991)
Contingent consideration arising from business combinations	-	-	(104,529)	(104,529)
Total	<u>\$ -</u>	<u>(49,108)</u>	<u>(104,529)</u>	<u>(153,637)</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2020			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	96,940	-	96,940
Foreign exchange swaps	-	14,612	-	14,612
Open-end mutual funds	208,054	-	-	208,054
Listed stocks	68,894	-	-	68,894
Embedded derivative— call and put options of convertible bonds	-	543	-	543
Privately held equity securities	-	-	157,694	157,694
Put option	-	-	10,504	10,504
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>276,948</u>	<u>112,095</u>	<u>173,731</u>	<u>562,774</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	296,043	-	-	296,043
Domestic emerging stock	-	761,132	-	761,132
Privately held equity securities	-	-	420,505	420,505
Subtotal	<u>296,043</u>	<u>761,132</u>	<u>420,505</u>	<u>1,477,680</u>
Total	<u><u>\$ 572,991</u></u>	<u><u>873,227</u></u>	<u><u>594,236</u></u>	<u><u>2,040,454</u></u>
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	(109,648)	-	(109,648)
Foreign exchange swaps	-	(25,370)	-	(25,370)
Contingent consideration arising from business combinations	-	(2,248)	(80,518)	(82,766)
Total	<u><u>\$ -</u></u>	<u><u>(137,266)</u></u>	<u><u>(80,518)</u></u>	<u><u>(217,784)</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
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September 30, 2020				
Fair Value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	125,332	-	125,332
Foreign exchange swaps	-	31,681	-	31,681
Foreign exchange option	51,733	-	-	51,733
Open-end mutual funds	69,390	-	-	69,390
Privately held equity securities	-	-	10,313	10,313
Put option	-	-	10,504	10,504
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>121,123</u>	<u>157,013</u>	<u>26,350</u>	<u>304,486</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	501,944	-	-	501,944
Domestic emerging stock	-	549,373	-	549,373
Privately held equity securities	-	-	512,082	512,082
Subtotal	<u>501,944</u>	<u>549,373</u>	<u>512,082</u>	<u>1,563,399</u>
Total	<u><u>\$ 623,067</u></u>	<u><u>706,386</u></u>	<u><u>538,432</u></u>	<u><u>1,867,885</u></u>
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	(26,170)	-	(26,170)
Foreign exchange swaps	-	(23,190)	-	(23,190)
Contingent consideration arising from business combinations	-	(10,643)	(80,518)	(91,161)
Embedded derivative - call and put options	-	(1,020)	-	(1,020)
Total	<u><u>\$ -</u></u>	<u><u>(61,023)</u></u>	<u><u>(80,518)</u></u>	<u><u>(141,541)</u></u>

2) Valuation techniques and assumptions used in fair value measurement

a) Non-derivative financial instruments

The fair value of financial instruments traded in active liquid markets is determined with reference to quoted market prices.

For listed stock and open-end mutual funds with standard terms and conditions and traded in active markets. The fair value is based on quoted market prices.

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Except for the abovementioned financial instruments traded in an active market, the fair value of other financial instruments are based on the valuation techniques or the quotation from counterparty. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques which include model calculating with observable market data at the reporting date.

For the Group's financial instruments that are not traded in active markets, the fair values are determined as follows:

- The fair value of the Group's domestic emerging stock is determined based on the average stock price on the emerging market at the reporting date.
- Discounted cash flow model is used to estimate the fair value of contingent consideration arising from business combination. The contingent consideration is estimated based on the possibility of occurrence of amount to be paid and discounted to the present value.
- The fair value of privately held stock is estimated by using the market approach and is determined by reference to valuations of similar companies, net worth and recent operating activities. The significant unobservable inputs is primarily the liquidity discounts. No quantitative information is disclosed due to that the possible changes in liquidity discounts would not cause significant potential financial impact.

b) Derivative financial instruments

The fair value of derivative financial instruments is determined using the valuation techniques generally accepted by market participants. The fair value of foreign currency forward contracts and foreign exchange swaps contracts is usually determined by the forward exchange rate. Call and put options are measured based on appropriate option pricing model.

3) Transfers between levels of the fair value hierarchy

There was no transfer among fair value hierarchies for the nine months ended September 30, 2021 and 2020.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2020, the financial assets measured at fair value through other comprehensive income (privately held stock—Visco Vision Inc.) were transferred from Level 3 to Level 2 because Visco Vision Inc. became an emerging stock company on Taipei Exchange starting from August 14, 2020.

4) Movement in financial assets included in Level 3 fair value hierarchy

Financial assets at fair value through profit or loss:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Balance at January 1	\$ 303,156	25,687	173,731	120,399
Additions	-	-	100,000	-
Disposal	-	-	-	(627)
Recognized in profit or loss	25,101	663	54,526	15,806
Reclassification to investments accounted for using equity method	-	-	-	(109,228)
Balance at September 30	<u>\$ 328,257</u>	<u>26,350</u>	<u>328,257</u>	<u>26,350</u>

Financial assets at fair value through other comprehensive income:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Balance at January 1	\$ 479,437	504,197	420,505	344,743
Acquisition through business combination	-	21,245	-	29,085
Additions	-	-	69,187	61,500
Disposal	-	(500)	-	(500)
Reclassification	(367)	(3,628)	(367)	(3,628)
Proceeds from capital reduction	-	-	-	(6,667)
Recognized in other comprehensive income	76,786	(9,232)	66,531	87,549
Balance at September 30	<u>\$ 555,856</u>	<u>512,082</u>	<u>555,856</u>	<u>512,082</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Financial liabilities at fair value through profit or loss:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Balance at January 1	\$ 104,529	80,518	80,518	87,227
Contingent consideration arising from business combination	-	-	23,298	-
Recognized in profit or loss	-	-	713	(6,709)
Balance at September 30	<u>\$ 104,529</u>	<u>80,518</u>	<u>104,529</u>	<u>80,518</u>

The above-mentioned total gains or losses were included in “other gains and losses—net” and “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”. The gains or losses attributable to the assets and liabilities held on September 30, 2021 and 2020 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Total gains or losses:				
Recognized in profit or loss (included in other gains and losses—net)	\$ 25,101	663	53,813	22,515
Recognized in other comprehensive income (included in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”)	76,786	(9,232)	66,531	87,549

(ac) Financial risk management

There were no significant changes in the Group’s financial risk management and policies as disclosed in note 6(ac) of the consolidated financial statements for the year ended December 31, 2020.

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QISDA CORPORATION AND SUBSIDIARIES
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(ad) Capital management

The objectives, policies and processes of capital management of the Group are in conformity with those disclosed in the consolidated financial statements for the year ended December 31, 2020. There were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2020. Please refer to note 6(ad) of the consolidated financial statements for the year ended December 31, 2020 for related details.

(ae) Investing and financing activities not affecting current cash flow

(i) For acquisition of right-of-use assets under lease for the nine months ended September 30, 2021 and 2020, please refer to note 6(k).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes			
	January 1, 2021	Cash flows	Acquisition through business combination	Additions	Effect of foreign exchange rate	September 30, 2021
Short-term borrowings	\$ 21,131,930	9,968,491	236,400	-	(4,534)	31,332,287
Long-term debt (including current portion)	22,903,335	2,299,799	123,927	-	(50,315)	25,276,746
Bonds payable (including current portion)	526,507	-	-	-	(66,694)	459,813
Lease liabilities	2,020,636	(396,549)	57,254	186,952	(15,338)	1,852,955
Guarantee deposits	1,621,811	(1,218,350)	-	-	-	403,461
	\$ 48,204,219	10,653,391	417,581	186,952	(136,881)	59,325,262

			Non-cash changes			
	January 1, 2020	Cash flows	Acquisition through business combination	Additions	Effect of foreign exchange rate	September 30, 2020
Short-term borrowings	\$ 19,902,070	1,108,223	3,107,947	-	315	24,118,555
Long-term debt	17,074,810	381,492	229,033	-	(85,041)	17,600,294
Bonds payable	-	-	576,724	-	1,632	578,356
Lease liabilities	2,013,107	(345,603)	289,764	183,293	-	2,140,561
Guarantee deposits	1,606,232	(65,665)	-	-	-	1,540,567
	\$ 40,596,219	1,078,447	4,203,468	183,293	(83,094)	45,978,333

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

7. Related-party transactions

(a) Name and relationship with related parties

The following are the entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
AU Optronics Corp. ("AU")	Prior to May 12, 2021, AU was an associate of the Group. However, starting May 12, 2021, AU was no longer an associate of the Group. Since January 2021, AU accounted the investments in the Group using the equity method as AU is one of the directors of the Company.
Darfon Electronics Corp. ("DFN")	The Group's associates
Visco Vision Inc. ("Visco Vision")	The Group's associates
Cenefom Corp. ("CENEFOM")	The Group's associates
MLK Bioscience Co., Ltd.	The Group's associates
Q.S.Control Corp.	The Group's associates
TDX Medical Technology (Jiangsu) Co., Ltd ("TDX")	The Group's joint venture
Nanjing Silvertown Health & Development Co., Ltd ("NSHD")	The Group's associates
Alpha Networks Inc. ("Alpha")	Prior to July 23, 2020, Alpha was an associate of the Group. However, starting July 23, 2020, Alpha has been included in the Group's consolidated entities
DMC Components International, LLC. ("DMC")	The Group's associates
Darwin Precisions Corporation ("Darwin")	AU's subsidiaries
AU Optronics (L) Corp. ("AUL")	AU's subsidiaries
AFPD Pte., Ltd	AU's subsidiaries
AU Optronics (Suzhou) Corp. ("AUSZ")	AU's subsidiaries
AU Optronics (Kunshan) Co., Ltd. ("AUKS")	AU's subsidiaries
a.u. Vista Inc. ("AUVI")	AU's subsidiaries
AU Optronics (Xiamen) Corp. ("AUXM")	AU's subsidiaries
AU Optronics Manufacturing (Shanghai) Corp.	AU's subsidiaries
AU Optronics (Slovakia) s.r.o.	AU's subsidiaries
AUO Care Information Tech. (Suzhou) Co., Ltd.	AU's subsidiaries
BriView (Hefei) Co., Ltd. ("BVHF")	AU's subsidiaries
Darwin Precisions (Xiamen) Corp. ("DPXM")	AU's subsidiaries
Darwin Precisions (Suzhou) Corp.	AU's subsidiaries
Fortech Electronics (Kunshan) Co., Ltd. ("FTKS")	AU's subsidiaries
Fortech Electronics (Suzhou) Co., Ltd. ("FTWJ")	AU's subsidiaries

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
Mega Insight Smart Manufacturing (Suzhou) Corp., Ltd.	AU's subsidiaries
Edgetech Data Technologies (Suzhou) Corp., Ltd.	AU's subsidiaries
U-Fresh Technology (Suzhou) Co., Ltd.	AU's subsidiaries
AUO Display Plus Corporation	AU's subsidiaries
AUO Digitech (Suzhou) Co., Ltd.	AU's subsidiaries
AUO Crystal Corp. ("ACTW")	AU's subsidiaries
AUO Education Service Corp.	AU's subsidiaries
Unictron Technologies Corporation	DFN's subsidiaries
Darfon America Corp. ("DFA")	DFN's subsidiaries
Darfon Electronics Czech s.r.o ("DFC")	DFN's subsidiaries
Darfon Electronics (Suzhou) Co., Ltd. ("DFS")	DFN's subsidiaries
Huaian Darfon Electronics Co., Ltd. ("DFH")	DFN's subsidiaries
Darfon Electronics (Chongqing) Co., Ltd. ("DFQ")	DFN's subsidiaries
Visco Technology Sdn. Bhd. ("VVM")	Visco Vision's subsidiaries
Suzhou Trident Original Medical Technology (Jiangsu) Co., Ltd.	TDX's subsidiaries
BenQ Foundation	Substantive related party

(b) Significant related-party transactions

(i) Revenue

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Associates:				
AU	\$ -	2,416,732	3,169,024	6,680,029
AUSZ	-	844,411	1,064,012	2,500,295
Other associates	<u>306,666</u>	<u>460,525</u>	<u>966,554</u>	<u>1,031,365</u>
	<u>306,666</u>	<u>3,721,668</u>	<u>5,199,590</u>	<u>10,211,689</u>
Joint ventures	<u>3,667</u>	<u>-</u>	<u>6,702</u>	<u>-</u>
The entity who has significant influence over the Group:				
AU	2,462,220	-	4,122,591	-
AUSZ	841,381	-	1,344,857	-
Other	<u>196,901</u>	<u>-</u>	<u>332,968</u>	<u>-</u>
	<u>3,500,502</u>	<u>-</u>	<u>5,800,416</u>	<u>-</u>
	<u><u>\$ 3,810,835</u></u>	<u><u>3,721,668</u></u>	<u><u>11,006,708</u></u>	<u><u>10,211,689</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The sales prices for some of the abovementioned transactions were not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transactions, there were no significant differences between the sales prices for related parties and those for third-party customers. The payment terms of 30~120 days showed no significant difference between related parties and third-party customers.

(ii) Purchases

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Associates:				
AU	\$ -	3,210,255	4,085,451	8,328,159
Other associates	<u>206,455</u>	<u>178,131</u>	<u>537,581</u>	<u>482,050</u>
	<u>206,455</u>	<u>3,388,386</u>	<u>4,623,032</u>	<u>8,810,209</u>
Joint ventures	<u>13,600</u>	<u>-</u>	<u>44,204</u>	<u>-</u>
The entity who has significant influence over the Group:				
AU	<u>3,029,600</u>	<u>-</u>	<u>5,173,873</u>	<u>-</u>
	<u>\$ 3,249,655</u>	<u>3,388,386</u>	<u>9,841,109</u>	<u>8,810,209</u>

There were no significant differences between the purchase prices for related parties and those for third-party vendors. The payment terms of 30~120 days showed no significant difference between related parties and third-party vendors.

(iii) Property transactions

In June 2021, the Group disposed its land and building located at Penang, Malaysia to its associate (VVM) at a total contract price of MYR92,000 thousand, wherein the net proceeds of disposal of property amounted to \$561,173. As of September 30, 2021, the outstanding receivables of \$43,327 were recorded under other receivables as the attorney collected 7% of the total contract price on behalf of the Group. The gain on disposal of the aforementioned property was \$365,338.

(iv) Lease

The Group leased factory and office from AU, and the rent is paid monthly with reference to the nearby office rental rates. For the three months and nine months ended September 30, 2021 and 2020, the related interest expense on lease liabilities amounted to \$587, \$1,010, \$2,080 and \$3,338, respectively. As of September 30, 2021, December 31 and September 30, 2020, the balance of the lease liabilities amounted to \$115,341, \$178,516, and \$202,061, respectively.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group leased its plant and office to associates. For the three months and nine months ended September 30, 2021 and 2020, the rental income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Associates	<u><u>\$ 3,695</u></u>	<u><u>6,614</u></u>	<u><u>16,712</u></u>	<u><u>20,596</u></u>

(v) Donation

For the three months and nine months ended September 30, 2021 and 2020 the Group made a donation to substantive related party (BenQ Foundation) amounting to \$13,500, \$0, \$22,000 and \$9,200, respectively.

(vi) Receivables

The receivables from related parties due to the abovementioned sales, property transactions, disposal of assets due to spin-off, distribution of cash dividends, and payment made on behalf of associates were as follows:

Account	Related-party categories	September 30, 2021	December 31, 2020	September 30, 2020
Accounts receivable	The entity who has significant influence over the Group:			
	AU	\$ 1,734,751	-	-
	AUSZ	1,068,865	-	-
	Other	213,048	-	-
		<u>3,016,664</u>	<u>-</u>	<u>-</u>
	Joint ventures	7,522	2,719	-
	Associates:			
	AU	-	2,089,736	1,477,144
	AUSZ	-	942,534	949,836
	Other associates	233,690	245,380	211,581
		<u>233,690</u>	<u>3,277,650</u>	<u>2,638,561</u>
		<u><u>\$ 3,257,876</u></u>	<u><u>3,280,369</u></u>	<u><u>2,638,561</u></u>
Other receivables	Associates:			
	NSHD	\$ 288,075	287,690	284,302
	Other associates	13,331	14,709	14,064
		<u><u>\$ 301,406</u></u>	<u><u>302,399</u></u>	<u><u>298,366</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Payables

The payables to related parties due to the abovementioned purchases and advance payments made by associates on behalf of the Group were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts payable	The entity who has significant influence over the Group:			
	AU	\$ 1,226,717	-	-
	Joint ventures	2,904	2,242	1,709
	Associates:			
	AU	-	1,941,157	1,783,803
	Other associates	251,200	184,137	213,416
		<u>\$ 1,480,821</u>	<u>2,127,536</u>	<u>1,998,928</u>
Other payables	Associates	<u>\$ 274,214</u>	<u>16,151</u>	<u>51,340</u>
Lease liabilities—current		<u>\$ 92,284</u>	<u>86,737</u>	<u>86,720</u>
Lease liabilities—non-current		<u>\$ 23,057</u>	<u>91,779</u>	<u>115,341</u>

(c) Compensation for key management personnel

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 98,623	69,258	209,615	128,593
Post-employment benefits	252	216	666	648
	<u>\$ 98,875</u>	<u>69,474</u>	<u>210,281</u>	<u>129,241</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

8. Pledged assets

The carrying amounts of the assets pledged as collateral are detailed below:

Pledged assets	Pledged to secure	September 30, 2021	December 31, 2020	September 30, 2020
Other financial assets — current (time deposits)	Credit lines of bank loans and guarantee for tax clearance certificate and performance guarantee	\$ 63,873	63,853	54,602
Other financial assets — non- current (special deposit account)	Restrictions on utilization of repatriated offshore funds	794,379	518,390	557,187
Other financial assets — non- current	Guarantee for construction project, guarantee to lawsuits, and guarantee for land lease	147,487	151,984	165,141
Common stock of investments accounted for using the equity method	Credit lines of bank loans	-	5,933,504	5,513,161
Land and buildings	Credit lines of bank loans	4,371,066	4,175,702	4,377,163
Investment property	Credit lines of bank loans	204,682	125,882	126,324
Right-of-use assets (land use rights)	Credit lines of bank loans	-	923,503	912,626
Notes and accounts receivable	Credit lines of bank loans	29,600	106,501	172,686
Machinery	Credit lines of bank loans	-	80,742	82,796
Financial assets at fair value through other comprehensive income—non-current (stocks)	Credit lines of bank loans	2,294,500	-	-
		<u><u>\$ 7,905,587</u></u>	<u><u>12,080,061</u></u>	<u><u>11,961,686</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

9. Significant commitments and contingencies

(a) Significant unrecognized commitments

	September 30, 2021	December 31, 2020	September 30, 2020
Unused letters of credit	<u>\$ 1,334,556</u>	<u>1,097,310</u>	<u>1,062,382</u>

(b) Significant contingent liabilities

In January 2012, some direct and indirect Canadian purchasers of optical disk drive products filed class actions against the Company and BQA, among other co-defendants. In the complaints, the plaintiffs claimed monetary damages from an alleged antitrust conspiracy. The Company has reached a settlement agreement with the plaintiff. However, the final outcome is still pending approval of the Court.

10. Significant loss from disaster: None.

11. Significant subsequent events

In order to enhance the vertical integration capabilities, strengthen the ability to penetrate into the display market, and serve the needs of medical customers, on October 19, 2021, the Board of Directors of DIC approved a resolution to acquire 20,856,000 shares of common stock of DIVA Laboratories, Ltd. ("DIVA Labs") at a price of not higher than \$30 (Dollars) per share, wherein the total transaction amount is limited to \$625,680. After completion of the above transaction, DIC is expected to hold 33.8% ownership of DIVA Labs.

12. Others

(a) Employee benefits, depreciation, and amortization categorized by function were as follows:

	For the three months ended September 30, 2021			For the three months ended September 30, 2020		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	2,627,226	2,977,383	5,604,609	2,189,476	2,645,881	4,835,357
Insurance	206,879	248,653	455,532	164,179	205,431	369,610
Pension	137,672	124,559	262,231	77,098	93,945	171,043
Others	211,297	195,611	406,908	170,804	144,382	315,186
Depreciation	598,116	353,012	951,128	555,524	290,323	845,847
Amortization	9,957	247,791	257,748	21,498	174,765	196,263

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the nine months ended September 30, 2021			For the nine months ended September 30, 2020		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	7,729,799	8,973,960	16,703,759	5,815,746	6,753,630	12,569,376
Insurance	585,913	729,712	1,315,625	418,522	543,564	962,086
Pension	386,848	370,697	757,545	208,920	236,117	445,037
Others	608,562	544,304	1,152,866	451,487	422,337	873,824
Depreciation	1,815,439	1,002,781	2,818,220	1,573,914	753,419	2,327,333
Amortization	41,417	676,696	718,113	58,621	366,761	425,382

(b) Seasonality operations

The Group's operations were not significantly influenced by seasonality or cyclical factors.

13. Additional disclosures:

(a) Information on significant transactions:

- (i) Financing provided to other parties: Table 1 (attached)
- (ii) Guarantees and endorsements provided to other parties: Table 2 (attached)
- (iii) Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and joint ventures): Table 3 (attached)
- (iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed \$300 million or 20% of the paid-in capital: Table 4 (attached)
- (v) Acquisition of real estate which exceeds \$300 million or 20% of the paid-in capital: None.
- (vi) Disposal of real estate which exceeds \$300 million or 20% of the paid-in capital: Table 5 (attached)
- (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: Table 6 (attached)
- (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: Table 7 (attached)
- (ix) Transactions about derivative instruments: Refer to note 6(b)
- (x) Business relationships and significant intercompany transactions: Table 8 (attached)

(b) Information on investees : Table 9 (attached)

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China: Table 10 (attached)

(d) Major shareholders:

Shareholder's Name	Shares	Percentage
AU Optronics Corp.	335,230,510	17.04 %

14. Segment information

The Group's operating segment information and reconciliation are as follows:

For the three months ended September 30, 2021								
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 28,859,345	15,228,211	4,044,366	2,363,506	6,705,716	-	-	57,201,144
Intra-group revenue	3,106,983	151,647	2,489	8,009	240	-	(3,269,368)	-
Total segment revenue	<u>\$ 31,966,328</u>	<u>15,379,858</u>	<u>4,046,855</u>	<u>2,371,515</u>	<u>6,705,956</u>	<u>-</u>	<u>(3,269,368)</u>	<u>57,201,144</u>
Segment profit (loss)	<u>\$ 704,054</u>	<u>733,895</u>	<u>306,632</u>	<u>77,316</u>	<u>127,820</u>	<u>(703)</u>	<u>32,759</u>	<u>1,981,773</u>
For the three months ended September 30, 2020								
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 25,075,839	14,082,845	3,820,485	2,064,647	6,650,693	-	-	51,694,509
Intra-group revenue	3,061,093	125,588	5,374	1,638	-	-	(3,193,693)	-
Total segment revenue	<u>\$ 28,136,932</u>	<u>14,208,433</u>	<u>3,825,859</u>	<u>2,066,285</u>	<u>6,650,693</u>	<u>-</u>	<u>(3,193,693)</u>	<u>51,694,509</u>
Segment profit (loss)	<u>\$ 737,969</u>	<u>791,082</u>	<u>151,578</u>	<u>93,987</u>	<u>244,863</u>	<u>(93)</u>	<u>31,222</u>	<u>2,050,608</u>
For the nine months ended September 30, 2021								
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 80,045,370	43,267,510	12,397,245	6,924,542	21,454,033	-	-	164,088,700
Intra-group revenue	8,346,749	406,037	9,013	8,577	240	-	(8,770,616)	-
Total segment revenue	<u>\$ 88,392,119</u>	<u>43,673,547</u>	<u>12,406,258</u>	<u>6,933,119</u>	<u>21,454,273</u>	<u>-</u>	<u>(8,770,616)</u>	<u>164,088,700</u>
Segment profit (loss)	<u>\$ 1,679,866</u>	<u>2,446,629</u>	<u>770,217</u>	<u>263,348</u>	<u>358,198</u>	<u>(1,756)</u>	<u>90,122</u>	<u>5,606,624</u>
For the nine months ended September 30, 2020								
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 72,253,518	39,387,568	10,980,421	5,295,247	6,650,693	-	-	134,567,447
Intra-group revenue	7,862,272	399,372	9,757	1,875	-	-	(8,273,276)	-
Total segment revenue	<u>\$ 80,115,790</u>	<u>39,786,940</u>	<u>10,990,178</u>	<u>5,297,122</u>	<u>6,650,693</u>	<u>-</u>	<u>(8,273,276)</u>	<u>134,567,447</u>
Segment profit (loss)	<u>\$ 2,015,224</u>	<u>1,694,375</u>	<u>334,146</u>	<u>150,936</u>	<u>244,863</u>	<u>(336)</u>	<u>83,145</u>	<u>4,522,353</u>

QISDA CORPORATION AND SUBSIDIARIES
Financing provided to other parties
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars and other currencies)

Table 1

No.	Name of Lender	Name of Borrower	Financial Statement Account	Is a Related Party	Highest Balance of Financing to Other Parties During the Period	Ending Balance	Actual Usage Amount During the Period	Range of Interest Rates During the Period	Purpose of Fund Financing for the Borrower	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amounts Limits
													Item	Value		
0	The Company	APV	Other receivables from related parties	yes	200,000	-	-	1.20%	2	-	Operating requirements	-	-	-	7,227,846	14,455,692
1	BenQ	BQL	Other receivables from related parties	yes	256,770 (USD 9,000)	250,560 (USD 9,000)	250,560 (USD 9,000)	-	2	-	Operating requirements	-	-	-	1,955,393	3,910,786
1	BenQ	Darly Venture (L) Ltd	Other receivables from related parties	yes	142,650 (USD 5,000)	139,200 (USD 5,000)	139,200 (USD 5,000)	0.75%	2	-	Operating requirements	-	-	-	1,955,393	3,910,786
1	BenQ	Darly 2	Other receivables from related parties	yes	200,000	-	-	-	2	-	Operating requirements	-	-	-	1,955,393	3,910,786
1	BenQ	Darly C	Other receivables from related parties	yes	300,000	-	-	-	2	-	Operating requirements	-	-	-	1,955,393	3,910,786
2	QLLB	Qisda (Shanghai) Co., Ltd. ("QCSH")	Other receivables from related parties	yes	3,219,000 (USD 116,000)	1,614,720 (USD 58,000)	1,614,720 (USD 58,000)	-	2	-	Operating requirements	-	-	-	5,661,483	5,661,483
3	QLPG	QLLB	Other receivables from related parties	yes	558,502 (MYR 82,000)	545,489 (MYR 82,000)	232,831 (MYR 35,000)	3.20%	2	-	Operating requirements	-	-	-	7,227,846	14,455,692
4	BBM	Suzhou BenQ Hospital Co., Ltd. ("SMH")	Other receivables from related parties	yes	128,385 (USD 4,500)	111,360 (USD 4,000)	-	-	2	-	Operating requirements	-	-	-	1,955,880	1,955,880
4	BBM	Nanjing BenQ Hospital Co., Ltd. ("NMH")	Other receivables from related parties	yes	855,900 (USD 30,000)	835,200 (USD 30,000)	556,800 (USD 20,000)	-	2	-	Operating requirements	-	-	-	1,955,880	1,955,880
5	BIC	Suzhou BenQ Hospital Co., Ltd. ("SMH")(Note 20)	Other receivables from related parties	yes	21,680 (CNY 5,000)	21,498 (CNY 5,000)	21,498 (CNY 5,000)	1.00%	2	-	Operating requirements	-	-	-	332,293	332,293
6	NMHC	Nanjing BenQ Hospital Co., Ltd. ("NMH")(Note 20)	Other receivables from related parties	yes	22,547 (CNY 5,200)	22,358 (CNY 5,200)	22,358 (CNY 5,200)	1.00%	2	-	Operating requirements	-	-	-	23,567	23,567
7	QCOS	Suzhou BenQ Hospital Co., Ltd. ("SMH")(Note 20)	Other receivables from related parties	yes	737,103 (CNY 170,000)	730,932 (CNY 170,000)	730,932 (CNY 170,000)	3.60%	2	-	Operating requirements	-	-	-	1,570,058	1,570,058
7	QCOS	Qisda (Shanghai) Co., Ltd. ("QCSH")(Note 20)	Other receivables from related parties	yes	85,992 (CNY 20,000)	85,992 (CNY 20,000)	85,992 (CNY 20,000)	2.00%~2.30%	2	-	Operating requirements	-	-	-	3,613,923	36,139,231
8	BMS	BenQ Materials (Wuhu) Co., Ltd.(Note 20)	Other receivables from related parties	yes	1,149,014 (CNY 265,000)	1,139,394 (CNY 265,000)	837,562 (CNY 194,800)	1.30%	2	-	Operating requirements	-	-	-	1,886,250	1,886,250
8	BMS	Suzhou Sigma Medical Supplies Co., Ltd. ("SGS")(Note 20)	Other receivables from related parties	yes	86,718 (CNY 20,000)	-	-	1.30%	2	-	Operating requirements	-	-	-	1,886,250	1,886,250
8	BMS	BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")(Note 20)	Other receivables from related parties	yes	259,560 (CNY 60,000)	128,988 (CNY 30,000)	25,798 (CNY 6,000)	1.30%	2	-	Operating requirements	-	-	-	1,886,250	1,886,250
9	Ace Pillar Co., Ltd.	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	yes	250,560	250,560	167,040	0.00%~4.35%	2	-	Operating requirements	-	-	-	404,071	808,143
9	Ace Pillar Co., Ltd.	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	yes	28,530	27,840	27,840	-	2	-	Operating requirements	-	-	-	404,071	808,143
10	Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	yes	15,692	-	-	1.15%	2	-	Operating requirements	-	-	-	623,588	623,588
11	Grace Transmission (Tianjin) Co., Ltd.	Advancedtek Ace (TJ) Inc.	Other receivables from related parties	yes	2,602	2,580	2,580	1.80%	2	-	Operating requirements	-	-	-	39,052	39,052
11	Grace Transmission (Tianjin) Co., Ltd.	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	yes	13,008	12,899	12,899	1.80%	2	-	Operating requirements	-	-	-	39,052	39,052
12	Hong Kong Ace Pillar Enterprise Company	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	yes	17,344	17,198	17,198	1.80%	2	-	Operating requirements	-	-	-	39,646	39,646
13	AEWIN	Aewin Beijing Technologies Co., Ltd	Other receivables from related parties	yes	85,590	-	-	-	2	-	Operating requirements	-	-	-	226,889	453,778

No.	Name of Lender	Name of Borrower	Financial Statement Account	Is a Related Party	Highest Balance of Financing to Other Parties During the Period	Ending Balance	Actual Usage Amount During the Period	Range of Interest Rates During the Period	Purpose of Fund Financing for the Borrower	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amounts Limits
													Item	Value		
14	Alpha HK	Alpha Networks (Changshu) Co., Ltd.	Other receivables from related parties	yes	1,425,960 (USD 51,000)	904,800 (USD 32,500)	904,800 (USD 32,500)	-	2	-	Operating requirements	-	-	-	2,171,745	2,171,745
15	Mirac Networks (Dongguan) Co., Ltd.	Alpha Networks (Changshu) Co., Ltd.	Other receivables from related parties	yes	129,231 (CNY 30,000)	-	-	2.50%	2	-	Operating requirements	-	-	-	310,425	310,425
16	Alpha Networks (Chengdu) Co., Ltd.	Alpha Networks (Changshu) Co., Ltd.	Other receivables from related parties	yes	171,984 (CNY 40,000)	171,984 (CNY 40,000)	171,984 (CNY 40,000)	2.00%	2	-	Operating requirements	-	-	-	565,427	565,427
17	Hitron Technologies	Hitron Technologies (Vietnam) Inc.	Other receivables from related parties	yes	922,680	918,720	612,480	1.00%	2	-	Operating requirements	-	-	-	935,348	1,870,697
17	Hitron Technologies	Hitron Technologies (SIP) Inc.	Other receivables from related parties	yes	427,950	-	-	1.00%	2	-	Operating requirements	-	-	-	935,348	1,870,697
18	Jietech Trading (Suzhou) Inc.	Hitron Technologies (SIP) Inc.	Other receivables from related parties	yes	21,680	-	-	2.00%	2	-	Operating requirements	-	-	-	29,729	29,729

(Note 1) The aggregate financing amount and the individual financing amount of the Company to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.

(Note 2) The aggregate financing amount and the individual financing amount of QLLB to subsidiaries shall not exceed 40% of the most recent net worth of QLLB.

(Note 3) The aggregate financing amount and the individual financing amount of BenQ to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of BenQ.

(Note 4) The aggregate financing amount and the individual financing amount of BBM to subsidiaries shall not exceed 40% of the most recent net worth of BBM.

(Note 5) The aggregate financing amount to subsidiaries wholly owned by the Company and the individual financing amount of QCOS shall not exceed 100% and 10%, respectively, of the most recent audited or reviewed net worth of the Company.

The financing amount to the subsidiaries not wholly owned by the Company and the individual financing amount of QCOS shall not exceed 40% of the most recent net worth of QCOS.

(Note 6) The aggregate financing amount and the individual financing amount of QLPG to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.

(Note 7) The aggregate financing amount and the individual financing amount of BIC to subsidiaries shall not exceed 40% of the most recent net worth of BIC.

(Note 8) The aggregate financing amount to subsidiaries wholly owned by BMC and the individual financing amount of BMS shall not exceed 100% , respectively, of the most recent audited or reviewed net worth of BMS.

(Note 9) The aggregate financing amount and the individual financing amount of NMHC to subsidiaries shall not exceed 100% of the most recent net worth of NMHC.

(Note 10) The aggregate financing amount and the individual financing amount of ACE to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of ACE.

(Note 11) The aggregate financing amount to foreign subsidiaries wholly owned by ACE and the individual financing amount of Cyber South shall not exceed 100% of the most recent net worth of Cyber South.

The aggregate financing amount to the subsidiaries not wholly owned by ACE and the individual financing amount of Cyber South shall not exceed 10% and 5%, respectively, of the most recent net worth of Cyber South.

(Note 12) The aggregate financing amount to foreign subsidiaries wholly owned by ACE and the individual financing amount of Grace Transmission (Tianjin) Co., Ltd. shall not exceed 100% of the most recent net worth of Grace Transmission (Tianjin) Co., Ltd.. The aggregate financing amount to the subsidiaries not wholly owned by ACE and the individual financing amount of Grace Transmission (Tianjin) Co., Ltd. shall not exceed 10% and 5%, respectively, of the most recent net worth of Grace Transmission (Tianjin) Co.,

(Note 13) The aggregate financing amount to foreign subsidiaries wholly owned by ACE and the individual financing amount of Hong Kong Ace Pillar Enterprise Company Limited shall not exceed 100% of the most recent net worth of Hong Kong Ace Pillar Enterprise Company Limited. The aggregate financing amount to the subsidiaries not wholly owned by ACE and the individual financing amount of Hong Kong Ace Pillar Enterprise Company Limited shall not exceed 10% and 5%, respectively, of the most recent net worth of

(Note 14) The aggregate financing amount and the individual financing amount of AEWIN to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited or reviewed net worth of AEWIN.

(Note 15) The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha HK shall not exceed 100% of the most recent net worth of Alpha HK.

(Note 16) The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Mirac Networks (Dongguan) Co., Ltd. shall not exceed 100% of the most recent net worth of Mirac Networks (Dongguan) Co., Ltd.

(Note 17) The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha Networks (Chengdu) Co., Ltd. shall not exceed 100% of the most recent net worth of Alpha Networks (Chengdu) Co., Ltd.

(Note 18) The aggregate financing amount of Hitron Technologies and its subsidiaries(Jietech Trading (Suzhou) Inc.) to subsidiaries shall not exceed 40% of the the most recent audited or reviewed net worth of both parties. The financing reason and limit for each type of party

a. For entities who have business transactions with Hitron Technologies, the individual financing amount shall not exceed the total transaction amount in the nearest 12 months. The transaction referring to the higher of sales or purchase amount.

b. For entities who have a need in short term financing, the individual financing amount shall not exceed 10% of the most recent audited or reviewed net worth of Hitron Technologies.

c. For foreign subsidiaries which Hitron Technologies has 100% of direct or indirect voting rights, the aggregate financing amount and the individual financing amount shall not exceed 100% of the net worth of the lender.

(Note 19) Purpose of Fund Financing: 1.Business transaction purpose. 2. Short-term financing purpose.

(Note 20) To decrease the interest expense of the Group, certain subsidiaries using special purpose trust account through financial intermediaries offer idle fund to other subsidiaries in need.

(Note 21) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

QISDA CORPORATION AND SUBSIDIARIES
Guarantees and endorsements provided to other parties
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars and other currencies)

Table 2

No.	Endorsements / Guarantee Provider	Counter-party of Guarantee and Endorsement		Limits on Amount of Guarantees and Endorsements Provided to Each Guaranteed Party	Highest Balance of Guarantees and Endorsements During the Period	Balance of Guarantees and Endorsements as of Reporting Date	Actual Usage Amount During the Period	Property Pledged for Guarantees and Endorsements	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Endorsements / Guarantees Provided to Subsidiaries in Mainland China
		Name	Relationship with the Company										
0	The Company	QLLB	Parent/Subsidiary	7,227,846	4,581,600	2,951,040	2,951,040	-	8.17%	18,069,616	Y	-	-
1	BenQ	MaxGen	Parent/Subsidiary	1,955,393	(USD 166,000)	(USD 106,000)	(USD 106,000)	-	0.93%	9,776,965	N	-	-
2	PTT	Partner Tech Middle East FZCO	Parent/Subsidiary	196,397	98,157	90,658	90,658	-	5.67%	490,994	N	-	-
2	PTT	Partner-Tech Europe GmbH	Parent/Subsidiary	196,397	(BRL17,259)	(BRL17,259)	(BRL17,259)	-	5.67%	490,994	N	-	-
2	PTT	Partner Tech USA Inc.	Parent/Subsidiary	196,397	57,060	55,680	55,680	-	2.84%	490,994	N	-	-
3	DIC	Data Image (Suzhou) Corporation	Parent/Subsidiary	247,114	57,060	55,680	55,680	-	2.25%	617,785	N	-	Y
4	ACE	Tianjin Ace Pillar Co., Ltd.	Parent/Subsidiary	808,143	28,530	27,840	27,840	-	9.36%	1,010,179	N	-	Y
5	AEWIN	Aewin Beijing Technologies Co., Ltd.	Parent/Subsidiary	226,889	(USD 1,000)	(USD 1,000)	(CNY 4,468)	-	5.69%	567,223	N	-	Y
6	Alpha	Alpha Networks (Dongguan) Co., Ltd.	Parent/Subsidiary	4,739,256	129,780	64,494	64,494	-	0.59%	9,478,512	N	-	Y
6	Alpha	Alpha Networks (Changshu) Co., Ltd.	Parent/Subsidiary	4,739,256	57,060	55,680	23,172	-	2.08%	9,478,512	N	-	Y
7	Hitron Technologies	Innoauto Technologies Inc.	Parent/Subsidiary	4,676,742	194,880	194,880	695	-	-	7,015,113	N	-	-
7	Hitron Technologies	Hitron Technologies Europe Holding B.V.	Parent/Subsidiary	4,676,742	75,000	-	-	-	13.61%	7,015,113	N	-	-
7	Hitron Technologies	Hitron Technologies (Americas) Inc.	Parent/Subsidiary	4,676,742	645,036	636,420	80,735	-	13.10%	7,015,113	N	-	-
7	Hitron Technologies	Hitron Technologies (Vietnam) Inc.	Parent/Subsidiary	4,676,742	836,100	612,480	-	-	38.10%	7,015,113	N	-	-
7	Hitron Technologies	Hitron Technologies (SIP) Inc.	Parent/Subsidiary	4,676,742	2,168,280	1,781,760	501,120	-	-	7,015,113	N	-	Y
8	Sysage	Corex (Pty) Ltd.	Parent/Subsidiary	4,676,742	514,446	-	-	-	3.32%	2,095,317	N	-	-

(Note 1) The aggregate endorsement/guarantee amount provided by the Company to QLLB and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.

(Note 2) The aggregate endorsement/guarantee amount provided by BenQ to MaxGen and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 20%, respectively, of the net worth of BenQ.

(Note 3) The aggregate endorsement/guarantee amount provided by PTT to PTT's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of PTT.

(Note 4) The aggregate endorsement/guarantee amount provided by DIC to Data Image (Suzhou) Corporation and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of DIC.

(Note 5) The aggregate endorsement/guarantee amount provided by ACE to ACE's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 40%, respectively, of the net worth of ACE.

(Note 6) The aggregate endorsement/guarantee amount provided by Alpha to Alpha's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 50%, respectively, of the net worth of Alpha.

(Note 7) The aggregate endorsement/guarantee amount provided by Hitron Technologies to Hitron Technologies' subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 150% and 20%, respectively, of the net worth of Hitron Technologies.

However, there is no restriction for those directly or indirectly held subsidiaries with more than 50% of the voting shares and for those directly and indirectly hold 100% of the voting shares are indirectly endorsed and guaranteed, but it shall not exceed Hitron Technologies 100% of the net worth of the most recent financial statements.

(Note 8) The aggregate endorsement/guarantee amount provided by AEWIN to Aewin Beijing Technologies Co., Ltd. and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the recent audited or reviewed net worth of AEWIN.

(Note 9) The aggregate endorsement/guarantee amount provided by Sysage to Corex (Pty) Ltd. and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of Sysage.

QISDA CORPORATION AND SUBSIDIARIES
Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures)
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars/shares, unless specified otherwise)

Table 3

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,388	45,024	4.61%	45,024	-
The Company	Stock: AU	-	Financial assets at fair value through other comprehensive income-non-current	663,599	11,712,516	6.98%	11,712,516	-
QLLB	CPEC Huachuang Private Equity Fund (Fujian) Co., Ltd. Fund	-	Financial assets at fair value through other comprehensive income-non-current	-	41,933	2.50%	41,933	-
BMC	Stock: Lagis Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	1,680	58,212	5.25%	58,212	-
BMC	Stock: Biodenta Corporation	-	Financial assets at fair value through profit or loss-non-current	225	(Note 1)	2.50%	-	-
BMC	Stock: YiLeLaFa Corporation	-	Financial assets at fair value through other comprehensive income-non-current	300	3,000	6.52%	3,000	-
BMC	Stock: CUUMed Catheter Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	206	6,187	2.12%	6,187	-
APV	Stock: Hi-Clearance Inc.	-	Financial assets at fair value through other comprehensive income-current	317	42,747	0.83%	42,747	-
APV	Stock: Joymaster Inc.	-	Financial assets at fair value through other comprehensive income-non-current	619	2,236	6.19%	2,236	-
APV	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	672	32,155	2.77%	32,155	-
APV	Stock: Gigastone Corporation	-	Financial assets at fair value through other comprehensive income-non-current	31	296	0.06%	296	-
APV	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	2,000	12,618	6.17%	12,618	-
APV	Stock: CDIB Capital Innovation Advisors Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,667	25,670	3.33%	25,670	-
APV	Preferred Stock: D8AI Holdings Coporation	-	Financial assets at fair value through other comprehensive income-non-current	10,000	4,227	6.56%	4,227	-
APV	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,144	69,587	7.13%	69,587	-
APV	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,396	888,469	3.58%	888,469	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Darly 2	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	470	22,490	1.94%	22,490	-
Darly 2	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	1,623	601,722	2.42%	601,722	-
Darly 2	Stock: Fong Huang Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	88,676	18.75%	88,676	-
Darly 2	Stock: Fong Huang 2 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	60,000	9.12%	60,000	-
Darly C	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	34	1,627	0.14%	1,627	-
Darly C	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	1,000	6,309	3.09%	6,309	-
Darly C	Stock: Anqing Innovation	-	Financial assets at fair value through other comprehensive income-non-current	1,033	6,426	2.24%	6,426	-
Darly C	Stock: Visco Vision Inc.	-	Financial assets at fair value through other comprehensive income-non-current	285	35,672	0.52%	35,672	-
BenQ	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,487	71,153	6.13%	71,153	-
PTT	Preferred Stock: D8AI Holdings Coporation	-	Financial assets at fair value through other comprehensive income-non-current	3,500	5,196	2.30%	5,196	-
DFI	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	999	32,417	3.32%	32,417	-
DFI	Fund: Cathay No 1 REIT	-	Financial assets at fair value through profit or loss-current	1,442	25,610	-	25,610	-
DFI	Asia Tech Taiwan Venture Fund	-	Financial assets at fair value through profit or loss-non-current	USD 225	(Note 1)	-	-	-
DFI	Bond: WM 7.25% Perpetual	-	Financial assets at fair value through profit or loss-current	USD 200	(Note 1)	-	-	-
AEWIN	Stock: Aewin Korea Co., Ltd	-	Financial assets at fair value through other comprehensive income-non-current	10	1,288	16.67%	1,288	-
AEWIN	Stock: AuthenTrend Technology Inc.	-	Financial assets at fair value through profit or loss-non-current	300	(Note 1)	1.42%	-	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
QCES	Stock: Jiangsu Yudi Optical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	7,692	264,915	11.20%	264,915	-
Sysage	CDS Holdings Limited	-	Financial assets at fair value through profit or loss-non-current	600	(Note 1)	1.12%	-	-
Sysage	Stock: Yobon Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3	(Note 1)	0.42%	-	-
Sysage	Stock: Dynasafe Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3,906	200,341	19.53%	200,341	-
Sysage	Stock: Touch Cloud, Inc.	-	Financial assets at fair value through profit or loss-non-current	200	890	1.50%	890	-
Sysage	Gemini Data, Inc.	-	Financial assets at fair value through profit or loss-non-current	2,706	10,420	2.94%	10,420	-
Sysage	Stock: Kingtel Corporation	-	Financial assets at fair value through profit or loss-non-current	443	2,473	18.09%	2,473	-
Sysage	Limited Partnership Equity: Taiwan Capital Buffalo Fund V ,LP.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	98,672	12.78%	98,672	-
Simula	Stock: Optomedia Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	817	2,411	3.26%	2,411	-
Simula	Stock: Taiwan Competition Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	500	2,469	16.67%	2,469	-
GSC	Stock: New Image Medical Co.,Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	200	2,960	0.74%	2,960	-
Alpha	Stock: TGC, Inc.	-	Financial assets at fair value through profit or loss-non-current	500	(Note 1)	1.83%	-	-
Hitron Technologies	Stock: Senao International Co., Ltd.	-	Financial assets at fair value through profit or loss-current	152	4,788	-	4,788	-
Hitron Technologies	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	441	29,591	-	29,591	-
Hitron Technologies	Stock: Chao Long Motor Parts Corp.	-	Financial assets at fair value through other comprehensive income-non-current	668	19,335	1.79%	19,335	-
Hitron Technologies	Stock: Imagetech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	120	(Note 1)	1.20%	-	-
Hitron Technologies	Stock: Tsunami Visual Technologies, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,220	(Note 1)	9.34%	-	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Hitron Technologies	Stock: Pivot Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	198	(Note 1)	10.94%	-	-
Hitron Technologies	Stock: Cardtek Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000	(Note 1)	6.45%	-	-
Hitron Technologies	Stock: Yesmobile Holdings Company Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	294	(Note 1)	0.75%	-	-
Hitron Technologies	Preferred Stock: Codent Networks (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,570	(Note 1)	-	-	-
Interactive Digital	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	362	24,290	-	24,290	-

(Note 1) The impairment loss was fully recognized.

(Note 2) There was no shares as the compan is a limited partnership.

QISDA CORPORATION AND SUBSIDIARIES

Marketable securities for which the accumulated purchase or sale amount for the period exceed NT\$300 million or 20% of the paid-in capital

For the nine months ended September 30, 2021

(Amounts in thousands of New Taiwan dollars/shares, unless specified otherwise)

Table 4

Company Name	Marketable Securities Type and Name (Note 1)	Financial Statement Account	Counter-Party	Name of Relationship	Beginning Balance		Purchase		Disposal				Ending Balance (Note 1)	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount
The Company	Sysage	Investment accounted for using equity method	-	Parent/Subsidiary	66,000	1,856,785	30,841	1,387,856	-	-	-	-	96,841	2,616,378
BBM	NSHD	Investment accounted for using equity method	Hangzhou Lan Cheng Hong Chuang Investment Ltd.	-	-	384,857	-	-	-	1,166,166	179,297	986,869	-	204,823
DFI	Brainstorm	Investment accounted for using equity method	-	Parent/Subsidiary	-	-	233	501,582	-	-	-	-	233	501,582
DFI	ACE	Investment accounted for using equity method	-	Parent/Subsidiary	37,676	793,722	16,282	507,636	-	-	-	-	53,958	1,301,359
Hitron Technologies	Hitron Vietnam	Investment accounted for using equity method	-	Parent/Subsidiary	-	434,914	-	668,640	-	-	-	-	-	1,117,770
Simula	AST	Investment accounted for using equity method	-	Parent/Subsidiary	-	-	32,001	983,857	-	-	-	-	32,001	996,826

(Note 1) The ending balance includes shares of profits/losses of investees and other related adjustment.

QISDA CORPORATION AND SUBSIDIARIES
Disposal of real estate which exceeds NT\$300 million or 20% of the paid-in capital
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 5

Company Name	Property Name	Transaction Date	Acquisition date	Book Value	Transaction Amount	Status of Payment	Gain or Loss on Disposal of real estate	Relation with the Counter Party	Counter Party	Purpose of Disposal	Price Reference	Notes
Qisda Sdn. Bhd. (QLPG)	Two land and buildings in Malaysia	Board resolution date June 11, 2020 ; Transaction date: June, 2021	1990	115,802	618,957(MYR 92,000 thousand) Net selling price after tax is 561,173	517,907 which is 93% of the contract price has been received.	365,338	Associates	Visco Technology Sdn. Bhd.	To activate asset and increase working capital	Refer to appraisal report	Payment term : 10% will be charged within 1 month after signing the contact ; 20% will be charged within 1 month after the government approval is received ; 70% will be charged within 4 month after the government approval is received

QISDA CORPORATION AND SUBSIDIARIES
Total purchases from and sales to related parties which exceed NT\$100 million or 20% of the paid-in capital
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 6

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/ Accounts Receivable or (Payable)	
The Company	BenQ	Parent/Subsidiary	(Sales)	(5,814,009)	(8)	OA90	-	-	2,716,951	13	-
The Company	QJTO	Parent/Subsidiary	(Sales)	(2,019,847)	(3)	OA120	-	-	1,032,235	5	-
The Company	QALA	Parent/Subsidiary	(Sales)	(17,181,487)	(23)	OA90	-	-	4,798,623	23	-
The Company	AU	(Note 5)	(Sales)	(4,460,363)	(6)	OA120	-	-	1,303,097	6	-
The Company	AUSZ	(Note 5)	(Sales)	(1,465,537)	(2)	OA120	-	-	705,878	3	-
The Company	QCSZ	Parent/Subsidiary	Purchases	55,723,096	77	OA120	-	-	(13,667,191)	(65)	-
The Company	QCOS	Parent/Subsidiary	Purchases	10,046,569	14	OA120	-	-	(2,082,080)	(10)	-
The Company	DFI	Parent/Subsidiary	(Sales)	(292,162)	-	OA60	-	-	76,908	-	-
The Company	Topview	Parent/Subsidiary	(Sales)	(182,118)	-	OA60	-	-	23,598	-	-
The Company	BBC	Parent/Subsidiary	(Sales)	(106,951)	-	OA30	-	-	51,122	-	-
QCSZ	The Company	Parent/Subsidiary	(Sales)	(55,723,096)	(91)	OA120	-	-	13,667,191	88	-
QCSZ	AU	Other related party	Purchases	5,671,221	9	EOM55	-	-	(448,849)	(3)	-
QCSZ	BQC_RO	Affiliates	(Sales)	(798,614)	(1)	OA120	-	-	128,705	1	-
QCSZ	QCPS	Affiliates	Purchases	1,083,224	2	OA60	-	-	(129,267)	(1)	-
QCSZ	DIC	Affiliates	Purchases	419,244	1	EOM45	-	-	(197,505)	(1)	-
QCOS	The Company	Parent/Subsidiary	(Sales)	(10,046,569)	(83)	OA120	-	-	2,082,080	89	-
QCOS	BQC_RO	Affiliates	(Sales)	(987,232)	(8)	OA120	-	-	16,838	1	-
QCOS	QCES	Affiliates	Purchases	595,041	5	OA60	-	-	(59,546)	(2)	-
QCOS	QCPS	Affiliates	Purchases	184,211	2	OA60	-	-	(28,255)	(1)	-
QCOS	AU	Other related party	Purchases	103,872	1	OA60	-	-	(13,403)	-	-
QCOS	AU	Other related party	Purchases	307,483	3	OA60	-	-	(88,860)	(3)	-
QCES	QCOS	Affiliates	(Sales)	(595,041)	(4)	OA60	-	-	59,546	2	-
QCES	DARWIN	Other related party	Purchases	108,889	1	OA60	-	-	(48,386)	(2)	-
QCPS	QCSZ	Affiliates	(Sales)	(1,083,224)	(80)	OA60	-	-	129,267	65	-
QCPS	QCOS	Affiliates	(Sales)	(184,211)	(14)	OA61	-	-	28,255	14	-
QALA	The Company	Parent/Subsidiary	Purchases	17,181,487	100	OA90	-	-	(4,798,623)	(100)	-
QJTO	The Company	Parent/Subsidiary	Purchases	2,019,847	100	OA120	-	-	(1,032,235)	(99)	-
BenQ	The Company	Parent/Subsidiary	Purchases	5,814,009	48	OA90	-	-	(2,716,951)	(53)	-
BenQ	AU	Other related party	Purchases	2,765,443	23	EOM55	-	-	(664,126)	(13)	-
BenQ	BQA	Affiliates	(Sales)	(2,629,932)	(20)	OA90	-	-	540,240	10	-
BenQ	BQC_RO	Affiliates	(Sales)	(104,936)	(1)	OA120	-	-	15,772	-	-
BenQ	BQE	Affiliates	(Sales)	(5,695,202)	(43)	OA90	-	-	2,550,275	46	-
BenQ	BQHK_HLD	Affiliates	(Sales)	(110,472)	(1)	OA90	-	-	22,676	-	-
BenQ	BQL	Affiliates	(Sales)	(392,393)	(3)	OA90	-	-	229,387	4	-
BenQ	BQP	Affiliates	(Sales)	(4,193,673)	(32)	OA60	-	-	1,425,585	26	-
BQA	BQCA	Affiliates	(Sales)	(602,614)	(5)	OA60	-	-	174,560	24	-
BQA	BenQ	Affiliates	Purchases	2,629,932	86	OA90	-	-	(540,240)	(100)	-
BQC_RO	QCOS	Affiliates	Purchases	987,232	32	OA120	-	-	(16,838)	(3)	-
BQC_RO	QCSZ	Affiliates	Purchases	798,614	34	OA120	-	-	(128,705)	(21)	-
BQC_RO	BenQ	Affiliates	Purchases	104,936	5	OA120	-	-	(15,772)	(3)	-
BQC_RO	BQsha_EC2	Affiliates	(Sales)	(122,742)	(1)	OA120	-	-	4,386	1	-
BQE	BenQ	Affiliates	Purchases	5,695,202	100	OA90	-	-	(2,550,275)	(98)	-
BQE	BQDE	Affiliates	(Sales)	(1,403,505)	(24)	OA30	-	-	83,027	9	-
BQE	BQFR	Affiliates	(Sales)	(591,210)	(10)	OA30	-	-	268,716	30	-
BQE	BQIT	Affiliates	(Sales)	(328,960)	(6)	OA30	-	-	18,381	2	-
BQE	BQUK	Affiliates	(Sales)	(1,020,302)	(18)	OA30	-	-	189,007	21	-
BQE	BQAT	Affiliates	(Sales)	(630,442)	(11)	OA45	-	-	42,856	5	-
BQE	BQSE	Affiliates	(Sales)	(272,399)	(5)	OA30	-	-	27,070	3	-
BQE	BQIB	Affiliates	(Sales)	(485,801)	(8)	OA30	-	-	57,019	6	-
BQE	BQNL	Affiliates	(Sales)	(250,417)	(4)	OA30	-	-	65,091	7	-
BQE	BQCH	Affiliates	(Sales)	(149,257)	(3)	OA30	-	-	28,161	3	-
BQL	BenQ	Affiliates	Purchases	392,393	98	OA90	-	-	(229,387)	(84)	-

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/ Accounts Receivable or (Payable)	
BQL	BQMX	Affiliates	(Sales)	(234,664)	(53)	OA90	-	-	162,484	26	-
BQP	BQAU	Affiliates	(Sales)	(274,769)	(6)	OA60	-	-	57,334	3	-
BQP	BQIN	Affiliates	(Sales)	(522,353)	(11)	OA60	-	-	524,253	29	-
BQP	BQJP	Affiliates	(Sales)	(1,506,502)	(31)	OA60	-	-	413,287	22	-
BQP	BOME	Affiliates	(Sales)	(716,688)	(15)	OA60	-	-	286,674	16	-
BQP	BQTH	Affiliates	(Sales)	(134,657)	(3)	OA60	-	-	109,669	6	-
BQP	BenQ	Affiliates	Purchases	4,193,673	97	OA60	-	-	(1,425,585)	(100)	-
BQAT	BQE	Affiliates	Purchases	630,442	100	OA45	-	-	(42,856)	(99)	-
BQAU	BQP	Affiliates	Purchases	274,769	80	OA60	-	-	(57,334)	(97)	-
BQCA	BQA	Affiliates	Purchases	602,614	98	OA60	-	-	(174,560)	(100)	-
BQDE	BQE	Affiliates	Purchases	1,403,505	100	OA30	-	-	(83,027)	(106)	-
BQFR	BQE	Affiliates	Purchases	591,210	100	OA30	-	-	(268,716)	(99)	-
BQHK_HLD	BenQ	Affiliates	Purchases	110,472	91	OA90	-	-	(22,676)	(94)	-
BQIB	BQE	Affiliates	Purchases	485,801	100	OA30	-	-	(57,019)	(94)	-
BQIN	BQP	Affiliates	Purchases	522,353	84	OA60	-	-	(524,253)	(100)	-
BQIT	BQE	Affiliates	Purchases	328,960	100	OA30	-	-	(18,381)	(89)	-
BQJP	BQP	Affiliates	Purchases	1,506,502	108	OA60	-	-	(413,287)	(98)	-
BQME	BQP	Affiliates	Purchases	716,688	90	OA60	-	-	(286,674)	(95)	-
BQMX	BQL	Affiliates	Purchases	234,664	92	OA90	-	-	(162,484)	(95)	-
BQSE	BQE	Affiliates	Purchases	272,399	98	OA30	-	-	(27,070)	(94)	-
BQsha_EC2	BQC_RO	Affiliates	Purchases	122,742	96	OA120	-	-	(4,386)	(99)	-
BQTH	BQP	Affiliates	Purchases	134,657	97	OA60	-	-	(109,669)	(100)	-
BQUK	BQE	Affiliates	Purchases	1,020,302	100	OA30	-	-	(189,007)	(97)	-
BQNL	BQE	Affiliates	Purchases	250,417	97	OA30	-	-	(65,091)	(99)	-
BQCH	BQE	Affiliates	Purchases	149,257	100	OA30	-	-	(28,161)	(91)	-
BBC	The Company	Parent/Subsidiary	Purchases	106,951	73	OA30	-	-	(51,122)	(80)	-
ESM	GSC	Affiliates	(Sales)	(284,322)	(88)	OA60	-	-	62,570	89	-
GSC	ESM	Affiliates	Purchases	284,322	80	OA60	-	-	(62,570)	(97)	-
K2	K2(Shanghai)	Affiliates	(Sales)	(172,541)	(38)	OA90	-	-	65,914	30	-
K2(Shanghai)	K2	Affiliates	Purchases	172,541	100	OA90	-	-	(65,914)	(100)	-
Topview	The Company	Parent/Subsidiary	Purchases	182,118	15	Depends on its contractual terms	-	-	(23,598)	(5)	-
Topview	Messoa Technologies Inc.	Affiliates	(Sales)	(154,220)	(11)	Depends on its contractual terms	-	-	55,796	11	-
Messoa Technologies Inc.	Topview	Affiliates	Purchases	154,220	99	Depends on its contractual terms	-	-	(55,796)	(99)	-
DIC	QCSZ	Affiliates	(Sales)	(419,244)	(10)	EOM45	-	-	197,505	19	-
DIC	Data Image (Suzhou) Corporation	Affiliates	Processing cost	1,484,405	66	Depends on its working capital status	-	-	(205,556)	(27)	-
Data Image (Suzhou) Corporation	DIC	Affiliates	Processing Income	(1,484,405)	(49)	Depends on its working capital status	-	-	205,556	20	-
Data Image (Suzhou) Corporation	AU	Other related party	Purchases	351,183	15	EOM45	-	-	(103,230)	(14)	-
DFI	The Company	Parent/Subsidiary	Purchases	292,162	11	OA60	-	-	(76,908)	(9)	-
DFI	DFI AMERICA, LLC.	Affiliates	(Sales)	(414,815)	(16)	60-90 Days	-	-	68,851	10	-
DFI AMERICA, LLC.	DFI	Affiliates	Purchases	414,815	98	60-90 Days	-	-	(68,851)	(98)	-
DFI	DFI Co., Ltd.	Affiliates	(Sales)	(176,905)	(7)	60-90 Days	-	-	17,236	3	-
DFI Co., Ltd.	DFI	Affiliates	Purchases	176,905	99	60-90 Days	-	-	(17,236)	(93)	-
DFI	Diamond Flower Information (NL) B.V.	Affiliates	(Sales)	(244,660)	(10)	60-90 Days	-	-	31,673	5	-
Diamond Flower Information (NL) B.V.	DFI	Affiliates	Purchases	244,660	100	60-90 Days	-	-	(31,673)	(100)	-
DFI	DYTH	Affiliates	(Sales)	(101,934)	(4)	60-90 Days	-	-	26,631	4	-
DYTH	DFI	Affiliates	Purchases	101,934	89	60-90 Days	-	-	(26,631)	(88)	-
AEWIN	Aewin Beijing Technologies Co., Ltd	Affiliates	(Sales)	(296,515)	(35)	150 Days after shipment	-	-	459,386	69	-
Aewin Beijing Technologies Co., Ltd	AEWIN	Affiliates	Purchases	296,515	89	150 Days after shipment	-	-	(459,386)	(70)	-
Advancedtek Ace (TJ) Inc.	Tianjin Ace Pillar Co., Ltd.	Affiliates	(Sales)	(349,324)	(100)	T/T 30 Days	-	-	99,675	99	-
Tianjin Ace Pillar Co., Ltd.	Advancedtek Ace (TJ) Inc.	Affiliates	Purchases	349,324	34	T/T 30 Days	-	-	(99,675)	(45)	-
Alpha	Alpha USA	Affiliates	(Sales)	(3,423,646)	(26)	90 Days	-	-	911,321	25	-
Alpha	D-Link Asia	Affiliates	Purchases	4,676,843	37	90 Days	-	-	(881,050)	(33)	-
Alpha	Alpha Changshu	Affiliates	Purchases	4,817,713	58	90 Days	-	-	(552,582)	(22)	-
Alpha Changshu	Mirac	Affiliates	(Sales)	(453,254)	(9)	90 Days	-	-	60,530	9	-
Alpha HK	Alpha Changshu	Affiliates	(Sales)	(5,011,385)	(100)	90 Days	-	-	1,370,469	(52)	-
D-Link Asia	Alpha Dongguan	Affiliates	Purchases	4,676,843	55	90 Days	-	-	(928,378)	(51)	-
Hitron Technologies	Hitron Americas	Affiliates	(Sales)	(3,382,225)	(46)	90 Days	-	-	1,037,851	63	-

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/ Accounts Receivable or (Payable)	
Hitron Technologies	Hitron Europe	Affiliates	(Sales)	(538,930)	(7)	90 Days	-	-	165,007	10	-
Hitron Vietnam	Hitron Technologies	Affiliates	(Sales)	(4,269,072)	(58)	60 Days	-	-	546,983	33	-
Hitron Suzhou	Hitron Technologies	Affiliates	(Sales)	(756,738)	(10)	45 Days	-	-	-	-	-
Hitron Suzhou	Hitron Vietnam	Affiliates	(Sales)	(153,125)	(2)	45 Days	-	-	-	-	-
Alpha USA	Alpha	Affiliates	Purchases	3,423,646	100	90 Days	-	-	(911,321)	(100)	-
D-Link Asia	Alpha	Affiliates	(Sales)	(4,676,843)	(55)	90 Days	-	-	881,050	49	-
Alpha Changshu	Alpha	Affiliates	(Sales)	(4,817,713)	(91)	90 Days	-	-	552,582	86	-
Mirac	Alpha Changshu	Affiliates	Purchases	453,254	97	90 Days	-	-	(60,530)	(52)	-
Alpha Changshu	Alpha HK	Affiliates	Purchases	5,011,385	88	90 Days	-	-	(1,370,469)	(71)	-
Alpha Dongguan	D-Link Asia	Affiliates	(Sales)	(4,676,843)	99	90 Days	-	-	928,378	95	-
Hitron Europe	Hitron Technologies	Affiliates	Purchases	538,930	100	90 Days	-	-	(165,007)	(98)	-
Hitron Americas	Hitron Technologies	Affiliates	Purchases	3,382,225	96	90 Days	-	-	(1,037,851)	(100)	-
Hitron Technologies	Hitron Suzhou	Affiliates	Purchases	756,738	10	45 Days	-	-	-	-	-
Hitron Vietnam	Hitron Suzhou	Affiliates	Purchases	153,125	3	45 Days	-	-	-	-	-
Hitron Technologies	Hitron Vietnam	Affiliates	Purchases	4,269,072	54	60 Days	-	-	(546,983)	(80)	-
BMC	AU	Other related party	(Sales)	(2,754,190)	(23)	OA90	(Note 1)	-	390,775	13	-
BMC	AUSZ	Other related party	(Sales)	(934,910)	(8)	OA90	(Note 1)	-	359,017	12	-
BMC	AUXM	Other related party	(Sales)	(639,967)	(5)	OA90	(Note 1)	-	208,171	7	-
BMC	BMM	Affiliates	(Sales)	(273,397)	(2)	OA120	(Note 1)	-	215,148	7	-
BMC	SGM	Affiliates	(Sales)	(215,854)	(2)	OA90	(Note 1)	-	180,207	6	-
BMC	BMS	Affiliates	Purchases	597,401	6	OA90	(Note 2)	-	(223,154)	(7)	-
BMC	BenQ Material (Wuhu) Co., Ltd.	Affiliates	Purchases	146,853	1	OA90	(Note 2)	-	(55,600)	(2)	-
BMC	Visco Vision	Associate	Purchases	224,389	2	OA30	(Note 2)	-	(25,985)	(1)	-
BMM	BMC	Affiliates	Purchases	273,397	1	OA120	-	-	(215,148)	94	-
SGM	BMC	Affiliates	Purchases	215,854	93	OA90	-	-	(180,207)	(100)	-
BMS	BMC	Affiliates	(Sales)	(597,401)	90	OA90	-	-	223,154	97	-
BenQ Material (Wuhu) Co., Ltd.	BMC	Affiliates	(Sales)	(146,853)	47	OA90	-	-	55,600	45	-
Simula	Simula Technology (ShenZhen) Co., Ltd.	Affiliates	Purchases	606,605	88	EOM60	(Note 4)	Third-party vendor: EOM 30-120	(122,777)	67	-
Simula Technology (ShenZhen) Co., Ltd.	Simula	Affiliates	(Sales)	(606,605)	(90)	EOM60	Equal to third-party customers	Non-related party: EOM 30-120	122,777	79	-
PTT	PTE	Affiliates	(Sales)	(260,085)	(31)	OA90	(Note 3)	-	88,339	20	-
PTT	PTU	Affiliates	(Sales)	(177,899)	(22)	OA90	(Note 3)	-	76,644	18	-
PTE	PTT	Affiliates	Purchases	260,085	45	OA90	(Note 3)	-	(88,339)	(67)	-
PTU	PTT	Affiliates	Purchases	177,899	97	OA90	(Note 3)	-	(76,644)	(99)	-

(Note 1) The selling prices of BMC to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 2) The purchase prices to related parties are not comparable to the purchase prices for third-party vendors as the specifications of products were different, and it is conducted under the agreed purchase price and conditions.

(Note 3) The selling prices of PTT to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 4) Simula seldom purchases the same products from other vendors. Therefore, the purchase prices are not reasonably comparable.

(Note 5) AU and AUSZ were associates before May 2021. Since May 2021, AU and AUSZ has become the entity that has significant influence over the Group.

(Note 6) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

QISDA CORPORATION AND SUBSIDIARIES
Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 7

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	BenQ	Parent/Subsidiary	2,716,951	2.70	696,523	-	422,742	-
The Company	QJTO	Parent/Subsidiary	1,032,235	2.95	-	-	169,889	-
The Company	QALA	Parent/Subsidiary	4,798,623	4.14	12,777	-	861,779	-
The Company	AU	(note 4)	1,303,097	4.48	-	-	-	-
The Company	AUSZ	(note 4)	705,878	2.60	-	-	171,961	-
The Company	QCSZ	Parent/Subsidiary	639,877	(note 1)	22,288	-	-	-
The Company	QCOS	Parent/Subsidiary	359,502	(note 1)	13,496	-	148,495	-
QCSZ	The Company	Parent/Subsidiary	13,667,191	4.69	1,457,352	-	4,781,700	-
QCSZ	BQC_RO	Affiliates	128,705	9.28	-	-	-	-
QCOS	The Company	Parent/Subsidiary	2,082,080	4.74	-	-	1,161,745	-
QCES	The Company	Parent/Subsidiary	3,135,550	(note 1)	78,501	-	3,135,550	-
QCPS	QCSZ	Affiliates	129,267	10.33	-	-	-	-
BenQ	BQA	Affiliates	540,240	6.13	-	-	-	-
BenQ	BQE	Affiliates	2,550,275	2.92	666,241	-	-	-
BenQ	BQL	Affiliates	229,387	1.89	354,912	-	2,476	-
BenQ	BQP	Affiliates	1,425,585	3.66	218,047	-	327,210	-
BenQ	QCSZ	Affiliates	243,104	(note 1)	13,761	-	-	-
BenQ	QVH	Affiliates	113,429	(note 1)	21,829	-	42,861	-
BQA	BQCA	Affiliates	174,560	4.47	-	-	60,984	-
BQE	BQFR	Affiliates	268,716	2.33	204	-	-	-
BQE	BQUK	Affiliates	189,007	8.15	61	-	-	-
BQL	BQMX	Affiliates	162,484	1.86	109,842	-	11,136	-
BQL	Maxgen	Affiliates	429,817	0.27	407,277	-	-	-
BQP	BQIN	Affiliates	524,253	1.19	325,841	-	-	-
BQP	BQJP	Affiliates	413,287	5.82	95,934	-	163,605	-
BQP	BQME	Affiliates	286,674	3.31	68,488	-	31,878	-
BQP	BQTH	Affiliates	109,669	1.73	73,437	-	-	-
DIC	QCSZ	Affiliates	197,505	(note 1)	-	-	-	-
Data Image (Suzhou) Corporation	DIC	Affiliates	205,556	(note 1)	-	-	-	-
AEWIN	Aewin Beijing Technologies Co., Ltd	Affiliates	459,386	0.93	255,050	-	11,660	-
ACE	Tianjin Ace Pillar Co., Ltd.	Affiliates	167,272	(note 1)	-	-	-	-
Alpha	Alpha USA	Affiliates	911,321	6.70	-	-	-	-
Alpha	Alpha HK	Affiliates	227,880	(note 1)	-	-	-	-
D-Link Asia	Alpha	Affiliates	881,050	3.45	-	-	18,127	-
Alpha Changshu	Alpha	Affiliates	552,582	12.10	3	-	105,791	-
Alpha Dongguan	D-Link Asia	Affiliates	928,378	3.39	186,940	-	18,127	-

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Alpha HK	Alpha Changshu	Affiliates	1,370,469	8.57	-	-	95,033	-
D-Link Asia	Alpha Dongguan	Affiliates	863,836	3.14	3,245	-	18,126	-
Hitron Technologies	Hitron Americas	Affiliates	1,037,851	3.09	-	-	218,494	-
Hitron Technologies	Hitron Europe	Affiliates	165,007	3.45	-	-	61,493	-
Hitron Technologies	Hitron Vietnam	Affiliates	1,389,709	(note 1)	-	-	256,167	-
Hitron Vietnam	Hitron Technologies	Affiliates	546,983	7.11	-	-	278,903	-
BMC	AU	Other related party	390,775	3.54 (note 2)	-	-	-	-
BMC	AUSZ	Other related party	359,017	3.21 (note 2)	-	-	-	-
BMC	AUX	Other related party	208,171	3.25 (note 2)	-	-	-	-
BMC	BMM	Affiliates	215,148	2.43 (note 2)	-	-	19,788	-
BMC	SGM	Affiliates	180,207	2.34 (note 2)	-	-	28,010	-
BMS	BMC	Affiliates	223,154	5.37 (note 2)	-	-	33,369	-
Simula Technology (ShenZhen) Co., Ltd.	Simula	Affiliates	122,777	5.33	-	-	92,181	-

(Note 1) The sales from repurchasing after processing have been eliminated; therefore, calculation of turnover rate is not applicable.

(Note 2) The calculation of turnover rate includes the account receivable sold to financial institutions.

(Note 3) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(Note 4) AU and AUSZ were associates before May 2021. Since May 2021, AU and AUSZ has become the entity that has significant influence over the Group.

QISDA CORPORATION AND SUBSIDIARIES
Business relationships and significant intercompany transactions
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 8

Number (Note 1)	Company Name	Related Party	Name of Relationship (Note 2)	Transaction Details			
				Financial Statements Account	Amount	Payment Terms	Percentage of Consolidated Operating Revenue and Total Assets (Note 4)
0	The Company	BenQ	1	(Sales)	(5,814,009)	OA90	(4%)
0	The Company	QJTO	1	(Sales)	(2,019,847)	OA120	(1%)
0	The Company	QALA	1	(Sales)	(17,181,487)	OA90	(10%)
1	QCSZ	The Company	2	(Sales)	(55,723,096)	OA120	(34%)
2	QCOS	The Company	2	(Sales)	(10,046,569)	OA120	(6%)
3	BenQ	BQA	3	(Sales)	(2,629,932)	OA90	(2%)
3	BenQ	BQE	3	(Sales)	(5,695,202)	OA90	(3%)
3	BenQ	BQP	3	(Sales)	(4,193,673)	OA60	(3%)
4	BenQ	Alpha USA	3	(Sales)	(3,423,646)	90 Days	(2%)
5	Alpha HK	Alpha Changshu	3	(Sales)	(5,011,385)	90 Days	(3%)
6	Hitron Technologies	Hitron Americas	3	(Sales)	(3,382,225)	90 Days	(2%)
7	Hitron Vietnam	Hitron Technologies	3	(Sales)	(4,269,072)	60 Days	(3%)
8	D-Link Asia	Alpha	3	(Sales)	(4,676,843)	90 Days	(3%)
9	Alpha Changshu	Alpha	3	(Sales)	(4,817,713)	90 Days	(3%)
10	Alpha Dongguan	D-Link Asia	3	(Sales)	(4,676,843)	90 Days	(3%)
0	The Company	BenQ	1	Accounts receivable	2,716,951	OA90	2%
0	The Company	QALA	1	Accounts receivable	4,798,623	OA90	3%
1	QCSZ	The Company	2	Accounts receivable	13,667,191	OA120	8%
2	QCOS	The Company	2	Accounts receivable	2,082,080	OA120	1%
3	BenQ	BQE	3	Accounts receivable	2,550,275	OA90	1%

(Note1) Parties to the intercompany transactions are identified and numbered as follows:

1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

(Note2) The relationships with counter party are as follows:

- No. "1" represents the transactions from the Company to subsidiary.
- No. "2" represents the transactions from subsidiary to the Company.
- No. "3" represents the transactions between subsidiaries.

(Note3) Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated operating revenue or total assets.

The corresponding purchases and accounts payables are not disclosed.

(Note4) Based on the transaction amount divided by consolidated operating revenues or consolidated total assets.

(Note5) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

QISDA CORPORATION AND SUBSIDIARIES
Information of Investees (Excluding Information on investments in Mainland China)
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars / shares, unless specified otherwise)

Table 9

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
The Company	AU	Taiwan	R&D, manufacture and sale of TFT-LCD panels	-	8,085,543	-	-	-	18,268,182	1,255,866	(Note 3)
The Company	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	662,195	662,195	58,005	20.72%	1,907,135	815,269	168,895	Associate
The Company	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	507,883	507,883	43,659	13.61%	571,461	709,202	17,186	Parent/Subsidiary
The Company	BenQ	Taiwan	Manufacture and sales of brand-name electronic products	7,160,050	7,160,050	539,662	100.00%	9,807,864	1,477,822	1,480,923	Parent/Subsidiary
The Company	QALA	USA	Sales of electronic products	32,800	32,800	1,000	100.00%	49,849	7,188	7,188	Parent/Subsidiary
The Company	QJTO	Japan	Sales and maintenance of electronic products in Japanese market	2,701	2,701	-	100.00%	44,982	(6,835)	(6,835)	Parent/Subsidiary
The Company	QLPG	Malaysia	Leasing and management services	578,128	578,128	50,000	100.00%	316,529	434,116	434,116	Parent/Subsidiary
The Company	QLLB	Malaysia	Investment and holding activity	3,687,539	3,687,539	114,250	100.00%	13,883,645	511,270	859,423	Parent/Subsidiary
The Company	APV	Taiwan	Investment and holding activity	570,016	570,016	153,258	100.00%	3,385,577	261,217	261,217	Parent/Subsidiary
The Company	Darby	Malaysia	Investment and holding activity	165,000	165,000	6,000	100.00%	205,629	57,437	57,437	Parent/Subsidiary
The Company	BBHC	Cayman	Investment and holding activity	1,476,632	1,476,632	47,400	19.35%	939,152	1,062,794	205,674	Parent/Subsidiary
The Company	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	1,475,978	1,475,978	43,577	58.04%	1,362,229	69,960	15,168	Parent/Subsidiary
The Company	BDT	Taiwan	Manufacture and sale of medical consumable and equipment	280,000	280,000	28,000	100.00%	87,533	(27,339)	(26,999)	Parent/Subsidiary
The Company	QTOS	Taiwan	Manufacture of computer peripheral products	1,000	1,000	100	100.00%	1,000	(2)	(2)	Parent/Subsidiary
The Company	Q.S.Control Corp.	Taiwan	Manufacture and sales of medical consumables and equipments	63,000	63,000	6,000	20.00%	60,159	18,013	3,603	Associate
The Company	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	3,154,750	3,154,750	51,610	45.08%	2,834,693	199,875	30,425	Parent/Subsidiary
The Company	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	8,135,810	8,114,943	295,797	54.60%	7,644,269	341,226	116,037	Parent/Subsidiary
The Company	K2	Taiwan	Sale of medical consumable and equipment	217,763	217,763	6,997	34.99%	214,813	44,453	14,187	Parent/Subsidiary
The Company	DIC	Taiwan	Manufacture and sales of marine display modules	260,000	260,000	20,000	28.82%	338,008	213,649	61,740	Parent/Subsidiary
The Company	EASC	Hong Kong	Sales of brand-name electronic products and smart services	78,338	78,338	1	54.00%	82,488	9,318	5,032	Parent/Subsidiary
The Company	Sysage	Taiwan	The agent sales and trading of network software and information and communication hardware and software	3,202,856	1,815,000	96,841	51.41%	2,616,378	447,150	190,056	Parent/Subsidiary
The Company	Topview	Taiwan	Manufacture and sales of video surveillance cameras	172,500	172,500	5,750	20.00%	206,156	89,929	18,494	Parent/Subsidiary
The Company	QVH	Vietnam	Manufacture of monitors	1,212,849	1,073,549	-	100.00%	785,194	(172,291)	(172,291)	Parent/Subsidiary
The Company	Simula	Taiwan	Manufacture and sales of electronic material	600,000	600,000	30,000	37.51%	620,808	69,590	14,296	Parent/Subsidiary
The Company	GSC	Taiwan	Sale of alcohol and medical disinfectant	254,000	254,000	10,000	50.00%	275,476	90,401	42,612	Parent/Subsidiary
BMC	BMLB	Malaysia	Investment and holding activity	1,141,340	1,141,340	35,082	100.00%	1,611,937	112,001	-	Affiliates
BMC	SGM	Taiwan	Manufacture and sales of medical consumables and equipment	231,727	560,000	2,000	100.00%	110,787	(12,682)	-	Affiliates
BMC	Visco Vision Inc.	Taiwan	Manufacture and sale of contact lenses	177,811	177,811	9,834	17.97%	96,753	247,555	-	Associate
BMC	Cenefom Corporation	Taiwan	R&D, manufacture and sale of medical consumable and equipment	29,127	29,127	1,095	12.12%	12,137	(8,257)	-	Associate
BMC	Taika Biotech Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	-	10,001	-	-	-	(3,469)	-	Associate
BMC	MLK Bioscience Co., Ltd.	Taiwan	R&D and sale of medical consumable and equipment	6,000	6,000	217	20.00%	4,681	(5,129)	-	Associate
BMC	Kangde Corp.	Taiwan	Sale of medical consumable and equipment	5,980	-	598	20.00%	4,689	(791)	-	Associate
APV	Darby C	Taiwan	Investment management consulting	77,933	77,933	12,105	45.11%	193,228	7,210	-	Affiliates
APV	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	221,786	221,786	15,182	4.73%	226,370	709,202	-	Affiliates
APV	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	42,584	42,584	3,549	7.96%	82,227	16,666	-	Affiliates
APV	BBHC	Cayman	Investment and holding activity	904,102	904,102	25,000	10.21%	503,538	1,062,794	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
APV	BES	Taiwan	Energy service	50,250	50,250	4,100	41.00%	7,012	(1,911)	-	Affiliates
APV	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	112,080	112,080	6,006	8.00%	156,027	69,960	-	Affiliates
APV	GST	Taiwan	R&D and sales of computer information system	12	12	1	0.02%	14	3,151	-	Affiliates
APV	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	149,096	149,096	2,294	2.00%	144,041	199,875	-	Affiliates
APV	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	284,143	284,143	12,236	2.26%	246,914	341,226	-	Affiliates
APV	Topview	Taiwan	Manufacture and sales of video surveillance cameras	63,525	63,525	1,286	4.46%	64,190	89,929	-	Affiliates
APV	DIC	Taiwan	Manufacture and sales of marine display modules	88,222	88,222	3,607	5.20%	78,318	213,649	-	Affiliates
APV	Simula	Taiwan	Manufacture and sales of electronic material	201,673	205,920	5,390	6.74%	209,326	69,590	-	Affiliates
APV	GSC	Taiwan	Sale of alcohol and medical disinfectant	150,000	150,000	10,000	50.00%	179,132	90,401	-	Affiliates
Darly C	BES	Taiwan	Energy service	28,000	28,000	2,400	24.00%	4,105	(1,911)	-	Affiliates
Darly C	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	273,445	273,445	12,710	2.35%	235,286	341,226	-	Affiliates
Darly	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	30,456	30,456	7,800	12.50%	18,334	(28,884)	-	Affiliates
Darly	BBHC	Cayman	Investment and holding activity	471,516	471,516	14,158	5.78%	282,419	1,062,794	-	Affiliates
BenQ	BQA	USA	Sales of brand-name electronic products in North America markets	114,553	114,553	200	100.00%	824,321	129,959	-	Affiliates
BenQ	BQL	USA	Sales of brand-name electronic products in Latin America markets	203,839	203,839	4,350	100.00%	(52,146)	3,999	-	Affiliates
BenQ	BQHK	Hong Kong	Investment and holding activity	859,037	859,037	466,200	100.00%	2,927,194	110,302	-	Affiliates
BenQ	BQE	The Netherlands	Sales of electronic products in European markets	960,568	960,568	5,009	100.00%	836,502	187,606	-	Affiliates
BenQ	BQP	Taiwan	Sales of brand-name electronic products in Asia markets	950,000	950,000	20,000	100.00%	401,650	260,629	-	Affiliates
BenQ	Darly 2	Taiwan	Investment and holding activity	2,361,132	2,361,132	225,000	100.00%	3,798,783	345,436	-	Affiliates
BenQ	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	74,021	74,021	23,400	37.50%	54,991	(28,884)	-	Affiliates
BenQ	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	233,491	233,491	14,017	5.01%	460,760	815,269	-	Associate
BenQ	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	946,731	946,731	80,848	25.21%	1,205,586	709,202	-	Affiliates
BenQ	BBHC	Cayman	Investment and holding activity	719,088	719,088	20,000	8.16%	400,411	1,062,794	-	Affiliates
BenQ	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	235,069	235,069	19,353	43.43%	437,124	16,666	-	Affiliates
BenQ	MQE	The Netherlands	Maintenance of brand-name electronic monitors and projectors in European markets	74,659	74,659	82	100.00%	69,090	2,067	-	Affiliates
BenQ	INF	Taiwan	Assembly and sales of gaming electronic products	117,987	117,987	6,947	100.00%	89,500	2,866	-	Affiliates
BenQ	BQHK_HLD	Hong Kong	Sales of brand-name electronic products in HK markets	118,282	118,282	4,000	100.00%	1,176,845	397,227	-	Affiliates
BenQ	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	21	21	-	0.31%	40	4,449	-	Affiliates
BenQ	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	342	342	18	-	348	341,226	-	Affiliates
BQP	BenQ India Private Ltd.	India	Sales of brand-name electronic products	224,405	224,405	440,296	100.00%	57,481	28,875	-	Affiliates
BQP	BenQ (M.E.) FZE	United Arab Emirates	Sales of brand-name electronic products	8,891	8,891	-	100.00%	52,988	27,861	-	Affiliates
BQP	BenQ Japan Co., Ltd.	Japan	Sales of brand-name electronic products	4,518	4,518	-	100.00%	111,651	36,523	-	Affiliates
BQP	BenQ Singapore Pte Ltd.	Singapore	Sales of brand-name electronic products	1,837	1,837	500	100.00%	(10,500)	5,154	-	Affiliates
BQP	BenQ Australia Pte Ltd.	Australia	Sales of brand-name electronic products	132,590	132,590	2,191	100.00%	78,107	14,900	-	Affiliates
BQP	BenQ Service & Marketing (M) Sdn Bhd	Malaysia	Sales of brand-name electronic products	119,488	119,488	100	100.00%	6,990	(435)	-	Affiliates
BQP	BenQ (Thailand) Co., Ltd.	Thailand	Sales of brand-name electronic products	120,116	120,116	12,000	100.00%	(56,157)	(11,098)	-	Affiliates
BQP	BenQ Korea Co., Ltd.	Korea	Providing administration and management service to affiliates	1,713	1,713	10	100.00%	3,767	(2,457)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
BQP	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	6,901	6,901	6	99.69%	13,097	4,449	-	Affiliates
BQA	BenQ Canada Corp.	Canada	Sales of brand-name electronic products	26	26	1	100.00%	46,980	41,324	-	Affiliates
BQL	BenQ Mexico S. de R.L. de C.V.	Mexico	Sales of brand-name electronic products	77,591	77,591	3	99.97%	45,561	8,524	-	Affiliates
BQL	Joytech LLC	USA	Investment and holding activity	4,671	4,671	1	100.00%	(136,391)	(5,029)	-	Affiliates
BQL	Vividtech LLC	USA	Investment and holding activity	4,671	4,671	1	100.00%	(136,391)	(5,029)	-	Affiliates
Joytech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	4,671	4,671	1	50.00%	(136,391)	(10,059)	-	Affiliates
Vividtech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	4,671	4,671	1	50.00%	(136,391)	(10,059)	-	Affiliates
BQmx	BenQ Service de Mexico S. de R.L. de C.V.	Mexico	Providing administration and management services to affiliates	87	87	3	99.97%	3,243	(10)	-	Affiliates
GSH	GST	Taiwan	R&D and sales of computer information system	64,898	64,898	5,756	99.94%	74,697	3,151	-	Affiliates
Darly 2	Darly C	Taiwan	Investment management consulting	20,006	89,179	14,728	54.89%	235,109	7,210	-	Affiliates
Darly 2	BBHC	Cayman	Investment and holding activity	2,122,721	2,122,721	65,024	26.55%	1,309,681	1,062,794	-	Affiliates
Darly 2	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	121,860	121,860	3,120	50.00%	73,321	(28,884)	-	Affiliates
Darly 2	BMTC	Taiwan	Manufacture and sales of medical consumables and equipment	27,337	27,337	1,590	3.57%	36,839	16,666	-	Affiliates
Darly 2	BES	Taiwan	Energy service	22,250	22,250	1,800	18.00%	3,078	(1,911)	-	Affiliates
Darly 2	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	49,426	49,426	1,648	2.19%	42,813	69,960	-	Affiliates
Darly 2	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	596,382	596,382	9,175	8.01%	576,496	199,875	-	Affiliates
Darly 2	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	79,990	79,990	4,185	0.77%	72,928	341,226	-	Affiliates
Darly 2	K2	Taiwan	Sale of medical consumable and equipment	44,997	44,997	1,003	5.01%	48,519	44,453	-	Affiliates
Darly 2	DIC	Taiwan	Manufacture and sales of marine display modules	48,093	48,093	3,005	4.33%	62,001	213,649	-	Affiliates
Darly 2	Topview	Taiwan	Manufacture and sales of video surveillance cameras	123,252	123,252	2,615	9.10%	129,062	89,929	-	Affiliates
Darly 2	Simula	Taiwan	Manufacture and sales of electronic material	205,920	205,920	5,500	6.88%	213,541	69,590	-	Affiliates
BQE	BenQ UK Limited	UK	Sales of brand-name electronic products	14,800	14,800	-	100.00%	106,131	59,349	-	Affiliates
BQE	BenQ Deutschland GmbH	Germany	Sales of brand-name electronic products	25,587	25,587	-	100.00%	126,250	(1,356)	-	Affiliates
BQE	BenQ Benelux B.V.	The Netherlands	Sales of brand-name electronic products	567	567	-	100.00%	(31,815)	529	-	Affiliates
BQE	BenQ Austria GmbH	Australia	Sales of brand-name electronic products	1,091	1,091	-	100.00%	60,777	7,199	-	Affiliates
BQE	BenQ Iberica S.L. Unipersonal	Spain	Sales of brand-name electronic products	4,677	4,677	-	100.00%	89,108	6,154	-	Affiliates
BQE	BenQ Italy S.R.L	Italy	Sales of brand-name electronic products	92,654	92,654	50	100.00%	34,922	4,533	-	Affiliates
BQE	BenQ France SAS	France	Sales of brand-name electronic products	2,045	2,045	-	100.00%	(126,251)	(10,619)	-	Affiliates
BQE	BenQ Nordic A.B.	Sweden	Sales of brand-name electronic products	445	445	-	100.00%	20,076	(7,771)	-	Affiliates
BQE	BenQ LLC.	Russia	Providing administration and management services to affiliates	52	52	-	100.00%	13,732	375	-	Affiliates
BMTC	Asiacconnect	Taiwan	Sales of medical consumables and equipment	21,984	21,984	1,995	99.75%	27,272	2,033	-	Affiliates
BMTC	Highview	Samoa	Investment and holding activity	36,211	36,211	1,062	100.00%	9,497	1,687	-	Affiliates
BMTC	LILY	Taiwan	Manufacture and sales of medical consumables and equipment	185,000	185,000	10,000	100.00%	236,325	11,396	-	Affiliates
BMTC	BABD	Taiwan	Manufacture and sales of medical consumables and equipment	88,000	88,000	8,800	88.00%	58,245	2,479	-	Affiliates
BMTC	BHS	Taiwan	Manufacture and sales of medical consumables and equipment	100,000	100,000	10,000	100.00%	129,554	22,764	-	Affiliates
BMTC	EASTECH	Taiwan	Manufacture and sales of medical consumables and equipment	20,300	20,300	700	70.00%	24,053	5,531	-	Affiliates
BHS	NBHI	Taiwan	Manufacture and sales of medical consumables and equipment	59,280	59,280	1,092	52.00%	68,096	19,754	-	Affiliates
PTT	WEBEST	Taiwan	Sales, import and export of electronic products	21,843	21,843	2,500	100.00%	27,562	7,490	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
PTT	P&J Investment Holding Co., Ltd. (B.V.I.)	British Virgin Islands	Investment and holding activity	230,307	230,307	5,551	100.00%	157,465	12,743	-	Affiliates
PTT	Partner Tech UK Corp., Ltd.	UK	Sales, import and export of electronic products	43,834	43,834	866	88.60%	34,671	5,046	-	Affiliates
PTT	Partner-Tech Europe GmbH	Germany	Sales, import and export of electronic products	51,451	51,451	(Note1)	50.02%	135,738	57,484	-	Affiliates
PTT	Partner Tech Middle East FZCO	United Arab Emirates	Sales, import and export of electronic products	137,387	137,387	0.099	99.00%	19,443	4,730	-	Affiliates
PTT	Epoint Systems Pte. Ltd.	Singapore	Software development and sales of product	27,449	27,449	100	50.10%	27,486	4,976	-	Affiliates
PTT	PTTN	Taiwan	Software development and sales of product	20,500	20,500	2,050	50.62%	25,280	(3,044)	-	Affiliates
PTT	PTMG	Taiwan	Software development and sales of product	11,000	11,000	1,100	52.38%	16,285	7,029	-	Affiliates
PTT	Partner Tech North Africa	Morocco	Sales, import and export of electronic products	-	4,075	-	-	-	-	-	Affiliates
PTE	Partner Tech UK Corp., Ltd.	UK	Sales, import and export of electronic products	5,640	5,640	114	11.40%	5,318	5,046	-	Affiliates
PTE	Sloga team D.o.o.	Slovenia	Sales, import and export of electronic products	980	980	(Note1)	90.00%	(15,700)	800	-	Affiliates
PTE	Retail Solution & System S.L.	Spain	Sales, import and export of electronic products	-	-	(Note1)	68.00%	21,562	13,604	-	Affiliates
PTME	E-POS International LLC	United Arab Emirates	Sales, import and export of electronic products	2,485	2,485	0.3	100.00%	(53,182)	(408)	-	Affiliates
WEBEST	PTTN	Taiwan	Software development and sales of product	10	10	1	0.02%	10	(3,044)	-	Affiliates
WEBEST	Partner Tech North Africa	Morocco	Sales, import and export of electronic products	-	-	-	-	-	-	-	Affiliates
WEBEST	Partner Tech Middle East FZCO	United Arab Emirates	Sales, import and export of electronic products	1,560	1,560	0.001	1.00%	163	4,730	-	Affiliates
P&J	P&S Investment Holding Co., Ltd. (B.V.I.)	British Virgin Islands	Investment and holding activity	134,973	134,973	4,560	100.00%	147,220	12,590	-	Affiliates
P&S	Partner Tech USA Inc.	USA	Sales, import and export of electronic products	31,593	31,593	1,091	100.00%	69,036	12,776	-	Affiliates
DFI	DFI AMERICA, LLC.	USA	Sales of industrial motherboards	254,683	254,683	1,209	100.00%	363,847	3,383	-	Affiliates
DFI	Yan Tong Technology Ltd.	Mauritius	Investment and holding activity	187,260	187,260	6,000	100.00%	177,362	5,442	-	Affiliates
DFI	DFI Co., Ltd.	Japan	Sales of industrial motherboards	104,489	104,489	6	100.00%	290,410	5,625	-	Affiliates
DFI	Diamond Flower Information (NL) B.V.	The Netherlands	Sales of industrial motherboards	35,219	35,219	12	100.00%	66,623	10,829	-	Affiliates
DFI	AEWIN	Taiwan	Manufacture and sale of industrial motherboards and component	564,191	556,464	30,376	51.38%	583,383	22,428	-	Affiliates
DFI	ACE	Taiwan	Sales of automation mechanical transmission system and component	1,301,359	793,722	53,958	48.07%	1,081,091	122,404	-	Affiliates
DFI	Brainstorm	USA	Wholesale and retail of computers and peripherals product	501,582	-	233	35.09%	536,677	237,863	-	Affiliates
AEWIN	Wise Way	Anguilla	Investment and holding activity	46,129	46,129	1,500	100.00%	124,513	46,970	-	Affiliates
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer peripheral products and software	77,791	77,791	2,560	100.00%	(690)	(4,470)	-	Affiliates
Wise Way	Bright Profit	Hong Kong	Investment and holding activity	46,129	46,129	1,500	100.00%	159,902	46,970	-	Affiliates
ACE	Cyber South	Samoa	Investment and holding activity	107,041	107,041	4,669	100.00%	623,588	57,884	-	Affiliates
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Hong Kong	Sales of automation mechanical transmission system and component	5,120	5,120	1,200	100.00%	39,646	(622)	-	Affiliates
Cyber South	Proton Inc.	Samoa	Investment and holding activity	527,665	527,665	17,744	100.00%	498,739	46,102	-	Affiliates
Cyber South	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	(1,478)	2,768	-	Affiliates
K2	K2 Medical (Thailand) Co., Ltd.	Thailand	Sales of medical consumables	15,919	15,919	-	49.00%	20,033	7,635	-	Affiliates
K2	PT Frismed Hoslab Indonesia	Indonesia	Sales of medical consumables	257,728	257,728	-	67.00%	292,879	36,896	-	Affiliates
DIC	Data Image (Mauritius) Corporation	Mauritius	Investment and holding activity	518,381	518,381	20,215	100.00%	306,897	33,094	-	Affiliates
DIC	DMC Components International, LLC	Orlando, USA	Agency sales	24,304	24,304	300	30.00%	3,408	592	-	Associate
EASC	Expert Alliance Smart Technology Co., Ltd.	Macao	Sales of brand-name electronic products and smart services	381	381	100	100.00%	6,125	(19,995)	-	Affiliates
Sysage	Global Intelligence Network Co., Ltd.	Taiwan	Sales of network and information and communication hardware and software	119,142	119,142	10,475	79.36%	198,831	45,768	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Sysage	Unisage Digital Co., Ltd.	Taiwan	Manufacture of medical equipment	506	1,687	67	38.01%	666	(165)	-	Associate
Sysage	Epic Cloud Information Integration Corporation	Taiwan	Software and data processing services	50,000	9,400	5,000	100.00%	27,797	(18,749)	-	Affiliates
Sysage	Grandsys Inc.	Taiwan	Data software processing service	94,547	94,547	5,643	23.58%	93,789	(20,058)	-	Associate
Sysage	AdvancedTEK International Corp	Taiwan	Applications implement services	30,091	30,091	1,153	34.09%	33,790	12,396	-	Affiliates
Sysage	Corex (Pty) Ltd.	South Africa	Sales, import and export of electronic products	251,872	-	1	100.00%	304,783	27,403	-	Affiliates
Sysage	Statinc Company	Taiwan	Market research, marketing consultant and data processing service	69,983	-	1,754	34.99%	89,262	(13,790)	-	Affiliates
Sysage	Everlasting Digital ESG Co., Ltd.	Taiwan	Sales and software development	5,000	-	500	29.41%	4,345	(2,227)	-	Associate
Epic Cloud	Global Intelligence Network Co., Ltd.	Taiwan	Sales of network and information and communication hardware and software	172	-	10	0.08%	172	45,768	-	Affiliates
Epic Cloud	Statinc Company	Taiwan	Market research, marketing consultant and data processing service	40	-	1	0.02%	40	(13,790)	-	Affiliates
AdvancedTEK	APEO Human Capital Services Corp.	Taiwan	Implementaion of application software services	2,060	-	200	100.00%	2,879	368	-	Affiliates
Statnic	Dataa	Taiwan	Market research, marketing consultant and data processing service	100	-	10	100.00%	99	(1)	-	Affiliates
Topview	Messoa	Taiwan	Sales, and import and export of video surveillance cameras	23,879	23,879	1,945	40.78%	2,060	675	-	Affiliates
Messoa	Messoa Technologies Inc. (USA)	USA	Sales, and import and export of video surveillance cameras and maintenance services	32,859	32,859	-	100.00%	20,449	2,579	-	Affiliates
Simula	Simula Technology Corp.	USA	Sales in North America	15,699	15,699	500	100.00%	28,296	4,880	-	Affiliates
Simula	Simula Company Limited	Hong Kong	Investment and holding activity	187,625	187,625	50,500	52.31%	151,713	(9,844)	-	Affiliates
Simula	Aspire Asia Inc.	British Virgin Islands	Investment and holding activity	286,764	286,764	9,403	100.00%	152,715	(6,442)	-	Affiliates
Simula	Mcureich Inc.	Taiwan	Sales of electronic products	15,029	15,029	645	23.33%	1,535	(5,909)	-	Associate
Simula	Action Star Technology Co.,Ltd.	Taiwan	Manufacture of computer and peripherals products	983,857	-	32,001	59.35%	996,826	47,984	-	Affiliates
Aspire Asia Inc.	Aspire Electronics Corp.	Samoa	Investment and holding activity	95,099	95,099	2,188	95.10%	15,197	(1,838)	-	Affiliates
Aspire Asia Inc.	Simula Company Limited	Hong Kong	Investment and holding activity	181,726	181,726	46,033	47.69%	138,294	(9,844)	-	Affiliates
GSC	Bigmin Bio-Tech Company Ltd.	Taiwan	Sale of alcohol and medical disinfectant	20,450	20,450	1,500	100.00%	49,555	31,384	-	Affiliates
GSC	E-Strong Medical Technology Co., Ltd.	Taiwan	Manufacture of alcohol and dialysate	281,872	281,872	22,200	66.57%	226,483	46,589	-	Affiliates
Alpha	Alpha Holdings	Cayman	Investment and holding activity	203,372	203,372	6,464	100.00%	(40,127)	(16,337)	-	Affiliates
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00%	19,834	(8)	-	Affiliates
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00%	160,120	24,887	-	Affiliates
Alpha	Alpha HK	Hong Kong	Investment and holding activity	3,143,628	3,143,628	780,911	100.00%	2,165,002	(5,137)	-	Affiliates
Alpha	ATS	USA	Post-sale service	260,497	260,497	8,100	100.00%	167,853	1,095	-	Affiliates
Alpha	Enrich Investment	Taiwan	Investment and holding activity	320,000	240,000	3,200	100.00%	228,602	(4,026)	-	Affiliates
Alpha	Hitron Technologies	Taiwan	Marketing on system integration and production and sales of telecommunication products	4,811,000	4,811,000	200,000	62.24%	3,894,601	50,765	-	Affiliates
Alpha	D-Link Asia	Singapore	Investment in manufacturing business	1,692,805	1,692,805	86,946	100.00%	1,746,834	(3,622)	-	Affiliates
Enrich Investment	Interactive Digital	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	6.65%	108,653	145,294	-	Affiliates
Enrich Investment	Transnet Corporation	Taiwan	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	50,000	50,000	5,000	100.00%	24,937	(10,585)	-	Affiliates
Enrich Investment	Aespula Technologies Inc.	Taiwan	Sale of network equipment, components and technical services	80,000	-	8,000	100.00%	79,125	(134)	-	Affiliates
Hitron Technologies	Hitron Samoa	Samoa	International trade	669,031	669,031	22,300	100.00%	570,243	(160,675)	-	Affiliates
Hitron Technologies	Interactive Digital	Taiwan	Telecommunication and broadband network system services	167,026	167,026	16,703	43.10%	492,196	145,294	-	Affiliates
Hitron Technologies	Hitron Europe	The Netherlands	International trade	59,604	59,604	15	100.00%	11,512	37,139	-	Affiliates
Hitron Technologies	Hitron Americas	USA	International trade	90,082	90,082	300	100.00%	236,215	60,640	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Hitron Technologies	Innoauto Technologies	Taiwan	Investment	20,000	50,000	2,000	100.00%	3,662	(13,422)	-	Affiliates
Hitron Technologies	Hitron Vietnam	Vietnam	Production and sale of broadband telecommunications products	1,218,995	550,355	-	100.00%	1,117,770	15,671	-	Affiliates

(Note 1) There was no shares as the company is a limited liability company.

(Note 2) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(Note 3) The Company lost significant influence over AU in May 110 and therefore reclassified the investment in AU from investments accounted for using the equity method to financial assets at fair value through other comprehensive income—non-current.

QISDA CORPORATION AND SUBSIDIARIES
Information on investments in Mainland China
For the nine months ended September 30, 2021
(Amounts in thousands of New Taiwan dollars and other currencies, unless specified otherwise)

Table 10

A. Qisda Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Qisda (Suzhou) Co., Ltd. ("QCSZ")	Manufacture of monitors and communication devices	2,060,160 (USD 74,000)	(Note 1)	1,976,640 (USD 71,000)	-	-	1,976,640 (USD 71,000)	113,136	100%	113,136 (Note 3)	9,602,402	-
BenQ Medical (Shanghai) Co., Ltd. ("BMSH")	Sale of medical consumable and equipment	37,862 (USD 1,360)	(Note 9)	-	-	-	-	(1,247)	100%	(1,247) (Note 4)	34,726	-
Qisda Electronics (Suzhou) Co., Ltd. ("QCES")	Manufacture of monitors	328,512 (USD 11,800)	(Note 1)	328,512 (USD 11,800)	-	-	328,512 (USD 11,800)	160,119	100%	160,119 (Note 4)	1,609,501	-
Qisda Optronics (Suzhou) Co., Ltd. ("QCOS")	Manufacture of projectors	346,886 (USD 12,460)	(Note 1)	346,886 (USD 12,460)	-	-	346,886 (USD 12,460)	244,477	100%	244,477 (Note 3)	3,925,145	406,548 (USD 14,603)
Qisda (Shanghai) Co., Ltd. ("QCSH")	Manufacture of monitors	1,851,360 (USD 66,500)	(Note 1)	1,336,320 (USD 48,000)	-	-	1,336,320 (USD 48,000) (Note 7)	(12,617)	100%	(12,617) (Note 4)	(1,359,825)	-
Qisda Precision Industry (Suzhou) Co., Ltd. ("QCPS")	Manufacture of plastic parts	139,200 (USD 5,000)	(Note 1)	132,240 (USD 4,750)	-	-	132,240 (USD 4,750)	11,277	100%	11,277 (Note 4)	395,902	-
BenQ Co., Ltd. ("BQC")	Lease of real estate	2,227,200 (USD 80,000)		2,227,200 (USD 80,000)	-	-	2,227,200 (USD 80,000)	110,204	100%	110,204 (Note 3)	2,933,657	-
BenQ Intelligent Technology (Shanghai) Co., Ltd. ("BQC_RO")	Sales of brand name electronic products in China market	83,520 (USD 3,000)	(Note 1)	83,520 (USD 3,000)	-	-	83,520 (USD 3,000)	353,062	100%	353,062 (Note 3)	1,068,561	-
BenQ Technology (Shanghai) Co., Ltd. ("BQIs")	Sales of brand-name electronic products	27,840 (USD 1,000)	(Note 1)	5,568 (USD 200)	-	-	5,568 (USD 200) (Note 6)	14,501	100%	14,501 (Note 4)	55,760	-
ShengCheng Trading(Shanghai) Co., Ltd. ("BQsha_EC2")	Sales of brand-name electronic products	2,784 (USD 100)	(Note 10)	-	-	-	-	20,027	100%	20,027 (Note 4)	38,756	-
Nanjing BenQ Hospital Co., Ltd. ("NMH")	Medical service	4,788,898 (USD 172,015)	(Note 1)	4,660,305 (USD 167,396)	278,400 (USD 10,000)	-	4,938,705 (USD 177,396)	173,907	70.05%	121,822 (Note 3)	2,046,255	-
Suzhou BenQ Hospital Co., Ltd. ("SMH")	Medical service	2,588,252 (CNY 601,975)	(Note 1)	2,477,649 (USD 88,996)	-	-	2,477,649 (USD 88,996)	73,032	70.05%	51,159 (Note 3)	648,657	-
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. ("NMHC")	Medical management consulting	27,840 (USD 1,000)	(Note 1)	27,840 (USD 1,000)	-	-	27,840 (USD 1,000)	(307)	70.05%	(215) (Note 4)	16,509	-
Suzhou BenQ Investment Co., Ltd. ("BIC")	Investment and holding activity	835,200 (USD 30,000)	(Note 8)	-	-	-	-	121	70.05%	85 (Note 4)	581,928	-
Nanjing Silvertown Health & Development Co., Ltd.	Medical services	429,960 (CNY 100,000)	(Note 11)	-	-	-	(Note 11)	(22,206)	11.56%	(2,567) (Note 4)	143,479 (Note 14)	-
Guru Systems (Suzhou) Co., Ltd. ("GSS")	R&D and sales of computer information systems	367,488 (USD 13,200)	(Note 1)	270,048 (USD 9,700)	-	-	270,048 (USD 9,700) (Note 5)	(32,010)	100%	(32,010) (Note 4)	46,728	-
BenQ Biotech (Shanghai) Co., Ltd. ("BBC")	Manufacture and sales of medical consumables and equipment	644,940 (CNY 150,000)	(Note 2)	730,932 (CNY 170,000)	150,486 (CNY 35,000)	-	881,418 (CNY 205,000)	(73,681)	70.00%	(51,577) (Note 4)	647,135	-
Guangxi Youshan Medical Technology Co., Ltd. ("Youshan")	Medical services	25,798 (CNY 6,000)	(Note 13)	-	-	-	(Note 13)	9,130	38.50%	3,515 (Note 4)	13,719	-
Wangcheng Medical Technology (Chengdu) Co., Ltd ("Wangcheng")	Medical services	8,599 (CNY 2,000)	(Note 13)	-	-	-	(Note 13)	(892)	49.00%	(437) (Note 4)	3,971	-

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Shanghai Filter Technology Co.,Ltd (“Filter”)	Medical services	601,944 (CNY 140,000)	(Note 13)	-	-	-	(Note 13)	(36)	70.00%	(25) (Note 4)	78,227	-
Guigang Donghui Medical Investment Co., Ltd.	Medical services	2,359,001 (CNY 548,656)	(Note 12)	-	-	-	(Note 12)	(20,718)	9.89%	(2,049) (Note 4)	305,840 (Note 14)	-
Shanghai Zhenglang Medical Equipment Co.,Ltd (“Zhenglang”)	Sales o f medical consumables and equipment	25,798 (CNY 6,000)	(Note 13)	-	-	-	(Note 13)	(151)	35.70%	(54) (Note 4)	9,156	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Direct investment in Mainland China.

(Note 3) Investment income or loss was recognized based on the reviewed but unaudited financial statements issued by the auditors of the parent company.

(Note 4) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 5) The amount of GRHK reinvestments US\$3,500 thousand were excluded.

(Note 6) The amount of QCES reinvestments US\$800 thousand were excluded.

(Note 7) The amount of QCES reinvestments US\$18,500 thousand were excluded.

(Note 8) The investment was from the operating capital of BBM.

(Note 9) The reinvestments were from the distribution of dividends of QLLB.

(Note 10) The reinvestments were from the distribution of dividends of BQHK.

(Note 11) NSHD is established by NMH's asset division.

(Note 12) The investment was from the operating capital of NMH.

(Note 13) The investment was from the operating capital of BBC.

(Note 14) Accounting for investments using equity method.

(Note 15) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.84 and CNY\$1=NT\$4.2996.

(Note 16) The above amounts have been eliminated when preparing the consolidated financial statement, except for NSHD and Guigang Donghui Medical Investment Co., Ltd. , which was classified as investments accounted for using equity method.

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
15,032,546 (USD 508,302 and CNY 205,000)	15,944,163 (USD 572,707)	(Note 17)

(Note 17) Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

3. Significant transactions with investee companies in Mainland China:

The transactions between parent and investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

B. BenQ Material Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
BenQ Material (Suzhou) Co., Ltd. ("BMS")	Manufacture of optoelectronics film	807,360 (USD29,000)	(Note 1)	807,360 (USD29,000)	-	-	807,360 (USD 29,000)	6,780	100.00%	6,780 (Note 2)	1,886,250 (Note 6)	-
Daxon Biomedical (Suzhou) Co., Ltd. ("DTB")	Sales of medical consumables	47,296 (CNY11,000)	(Note 4)	-	-	-	-	5,422	100.00%	5,422 (Note 2)	(2,827) (Note 6)	-
BenQ Materials (Wuhu) Co., Ltd.	Manufacture and sales of optoelectronics film	343,968 (CNY80,000)	(Note 1)	171,984 (CNY 40,000)	-	-	171,984 (CNY 40,000) (Note 5)	98,655	100.00%	95,222 (Note 2)	(312,112) (Note 6)	-
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")	Manufacture and sales of medical consumables	64,494 (CNY15,000)	(Note 4)	-	-	-	-	5,824	100.00%	5,824 (Note 2)	62,170 (Note 6)	-
Suzhou Sigma Medical Supplies Co., Ltd. ("SGS")	Manufacture and sales of medical consumables and equipment	44,321 (USD1,592)	(Note 3)	44,321 (USD1,592)	-	-	44,321 (USD1,592)	(3,895)	100.00%	(3,895) (Note 2)	26,124 (Note 6)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	979,344 (USD29,000 and CNY40,000)	1,090,919 (USD29,000 and CNY65,950)	(Note 7)
SGM	44,321 (USD1,592)	44,321 (USD1,592)	80,000

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the reviewed financial statements issued by the auditors of BMC.

(Note 3) Direct investment in Mainland China.

(Note 4) The reinvestments were from the distribution of dividends of BMLB.

(Note 5) The amount of BMLB reinvestments CNY\$10,950 thousand were excluded.

(Note 6) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 7) Since BenQ Material Corporation has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

(Note 8) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.84 and CNY\$1=NT\$4.2996.

3. Significant transactions with investee companies in Mainland China:

The transactions between BMC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

C. BenQ Medical Technology Corp.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd. ("BMTS")	Agency of international and entrepot trade business	27,840 (USD 1,000)	(Note 1)	27,840 (USD 1,000)	-	-	27,840 (USD 1,000)	1,720	100.00%	1,720	12,485 (Note 4)	-
LILY Medical (Suzhou) Co., Ltd. ("ALS")	Sales of medical consumables and equipment	5,846 (USD 210)	(Note 2)	5,846 (USD 210)	-	-	5,846 (USD 210)	(384)	100.00%	(384)	2,389 (Note 4)	-
TDX Medical Technology (Jiangsu) Co., Ltd.	Sales of medical consumables and equipment	85,992 (CNY 20,000)	(Note 2)	34,397 (CNY 8,000)	-	-	34,397 (CNY 8,000)	58	40.00%	23	29,141	-
Suzhou Trident Original Medical Technology Co., Ltd.	Sales of medical consumables and equipment	8,599 (CNY 2,000)	(Note 3)	-	-	-	-	3,375	22.00%	655	7,536	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Direct investment in Mainland China.

(Note 3) Invested in Mainland China is through TDX Medical Technology (Jiangsu) Co., Ltd.

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 5) There was no shares as the investee company is a limited liability company.

(Note 6) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.84 and CNY\$1=NT\$4.2996.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMTC	62,237 (USD 1,000 and CNY 8,000)	78,704 (USD 2,827)	615,527
LILY	5,846 (USD 210)	5,846 (USD 210)	106,988

3. Significant transactions with investee companies in Mainland China:

The transactions between BMTC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

D. Partner Tech Corp.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Partner Tech (Shanghai) Co., Ltd. ("PTCM")	Sales, import and export of electronic products	97,440 (USD 3,500)	(Note 1)	97,440 (USD 3,500)	-	-	97,440 (USD 3,500)	(192)	100.00%	(192) (Note 2)	78,160	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$27.84.

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
PTT	97,440 (USD 3,500)	192,263 (USD 6,906)	589,192

3. Significant transactions with investee companies in Mainland China:

The transactions between PTT and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

E. DFI Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021 (Note 7)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Yan Tong Infotech (Dongguan) Co., Ltd. ("DYTI")	Manufacture and sales of industrial motherboards and component	69,600 (USD2,500)	(Note 1)	-	-	-	-	(730)	100.00%	(730) (Note 2)	51,824	33,306
Yan Ying Hao Trading (ShenZhen) Co., Ltd. ("DYTH")	Wholesale, import and export of industrial motherboards and component	13,920 (USD500)	(Note 1)	-	-	-	-	7,813	100.00%	7,813 (Note 2)	42,791	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
DFI	- (Note 3)	58,046 (USD 2,085) (Note 5 and 6)	3,038,741 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 3) The reinvestments and authorized amount of DFI's subsidiaries is excluded from DFI's accumulated investment amounts and the investment amounts authorized by Investment Commission, MOEA.

(Note 4) Pursuant to "Principle of Investment or Technical Cooperation in Mainland China", investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The investment amount of Dongguan Ri Tong Trading Co., Ltd. that has been liquidated was approved by Investment Commission, MOEA in August 2014 and had been deducted in the investment amount.

(Note 6) The earnings that has been remitted to DFI by DYTI was approved by the Investment Commission of the MOEA in February 2017 and had been deducted in the investment amount.

(Note 7) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 8) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$27.84.

3. Significant transactions with investee companies in Mainland China:

The transactions between DFI and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

F. Aewin Technologies Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021 (Note 5)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	46,129	(Note 1)	46,129	-	-	46,129	46,970	100.00%	46,970 (Note 3)	159,897	-
Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	13,062	(Note 2)	-	-	-	-	(4,798)	100.00%	(4,798) (Note 3)	(1,298)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
AEWIN	46,129	55,680 (USD 2,000)	680,667 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Invested in Mainland China through Aewin Beijing Technologies Co., Ltd.

(Note 3) Investment income or loss was recognized based on the reviewed financial statements by the auditors of AEWIN.

(Note 4) Pursuant to "Principle of Investment or Technical Cooperation in Mainland China", investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 6) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.84.

3. Significant transactions with investee companies in Mainland China:

The transactions between AEWIN and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

G. Ace Pillar Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021 (Note 5)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	951,571 (USD 34,180)	(Note 1 and 2)	54,288 (USD 1,950)	-	-	54,288 (USD 1,950)	57,550	100.00%	57,550 (Note 3)	575,181	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	7,180 (CNY 1,670)	(Note 1)	4,454 (USD 160)	-	-	4,454 (USD 160)	1,062	100.00%	1,062 (Note 3)	39,052	-
Advancedtek Ace (TJ) Inc.	Electronic system integration	8,352 (USD 300)	(Note 1)	4,176 (USD 150)	-	-	4,176 (USD 150)	2,768	100.00%	2,768 (Note 3)	(1,503)	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	40,368 (USD 1,450)	(Note 1)	-	-	-	-	9,411	100.00%	9,411 (Note 3)	96,433	-
Xuchang Ace AI Equipment Co., Ltd.	Wholesale of industrial robot and component	8,352 (USD 300)	(Note 1)	-	-	-	-	(311)	100.00%	(311) (Note 3)	2,529	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
ACE	142,513 (USD 5,119)	142,513 (USD 5,119)	1,212,214 (Note 4)

- (Note 1) Indirect investment in Mainland China is through a holding company established in a third country.
- (Note 2) 17.61% ownership of Tianjin Ace Pillar Co., Ltd. is directly invested by ACE, and 82.39% ownership of Tianjin Ace Pillar Co., Ltd. is indirectly invested by Proton Inc. established in a third country.
- (Note 3) Investment income or loss was recognized based on the reviewed financial statements by the auditors of ACE.
- (Note 4) Pursuant to “Principle of Investment or Technical Cooperation in Mainland China”, investment amounts in Mainland China shall not exceed the 60% net worth of the company.
- (Note 5) The above amounts have been eliminated when preparing the consolidated financial statements.
- (Note 6) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.84 and CNY\$1=NT\$4.2996.

3. Significant transactions with investee companies in Mainland China:

The transactions between ACE and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

H. Data Image Corporation

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of September 30, 2021 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Data Image (Suzhou) Corporation	Manufacture and sales of LCD	453,792 (USD16,300)	(Note 1)	435,807 (USD15,654)	-	-	435,807 (USD15,654)	33,297	100.00%	33,297	305,169	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 15,654	USD 16,952	741,342 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 3) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 4) Investment amounts in Mainland China shall not exceed the 60% net worth of DIC according to MOEA letter No. 09704604680.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.84.

3. Significant transactions with investee companies in Mainland China:

The transactions between DIC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

I. K2 International Medica Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of September 30, 2021 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
K2 (Shanghai) International Medical Inc.	Sales of medical consumables	34,800 (USD 1,250)	(Note 1)	22,272 (USD 800)	31,543 (USD 1,133)	-	53,815 (USD 1,933)	1,250	100.00%	1,250	68,331	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
53,815 (USD 1,933)	53,815 (USD 1,933)	332,387 (Note 4)

(Note 1) Direct investment in Mainland China.

(Note 2) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 3) Investment income or loss was recognized based on the unreviewd financial statements of the company.

(Note 4) Investment amounts in Mainland China shall not exceed the 60% net worth of K2 according to MOEA letter No. 09704604680.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$27.84.

3. Significant transactions with investee companies in Mainland China:

The transactions between K2 and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

J. Simula Technology Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021 (Note 3)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	191,437	(Note 1)	141,375	-	-	141,375	22,910	100.00%	22,910 (Note 2)	182,886	-
Opti Cloud Technologies, Inc.	Development of High-speed optical transmission cable and module product technology	137,336	(Note 1)	95,099	-	-	95,099	(3,416)	51.18%	(1,748) (Note 2)	15,192	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Simula	257,755	307,817	1,306,932

- (Note 1) Indirect investment in Mainland China is through a holding company established in a third country.
- (Note 2) Investment income or loss was recognized based on the reviewed financial statements by the auditors of Simula.
- (Note 3) The above amounts have been eliminated when preparing the consolidated financial statements.

3. Significant transactions with investee companies in Mainland China:

The transactions between Simula and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

K.Alpha Networks Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of September 30, 2021 (Note 8)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Alpha Networks (Chengdu) Co.,Ltd.	Research and development of network products	420,426	(Note 1)	420,426	-	-	420,426	9,350	100.00%	9,350	565,427	-
Alpha Networks (Dongguan) Co., Ltd.	Production and sale of network products	787,496	(Note 1)	741,084	-	-	741,084 (Note 6)	(15,871)	100.00%	(15,871)	1,023,544	-
Mirac Networks (Dongguan) Co.,Ltd.	Production and sale of network products	307,326	(Note 1)	307,326	-	-	307,326	15,628	100.00%	15,628	310,425	-
Alpha Networks (Changshu) Co., Ltd.	Production and sale of network products	1,925,920	(Note 1)	1,925,920	-	-	1,925,920	23,334	100.00%	23,334	1,246,365	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Alpha	3,261,784 (Note 3、4 and 7)	4,123,685	(Note 5)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the reviewed financial statements by the auditors of Alpha.

(Note 3) Accumulated investments in Alpha Dongguan did not include the previously invested by D-Link Corporation HKD69,387 thousand (equivalent to approximately \$303,055 thousand).

(Note 4) Alpha indirectly investment the subsidiary Tongying Trading (Shenzhen) Co., Ltd., has liquidated all rights and obligations in March 2008 and cancelled the registration. Accumulated outflow of \$9,828 thousand in Tongying Trading (Shenzhen) Co., Ltd., less the remittance amount of \$4,367 thousand equals \$5,461 thousand. It is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

(Note 5) As Alpha has obtained the certificate No. 10820415320 of being qualified for operating headquarters issued by Ministry of Economic Affairs on June, 11 2019, the upper limit on investment in mainland China pursuant to “Principle of investment or Technical Cooperation in Mainland China” issued by Investment Commission, MOEA on August, 29, 2008 is not applicable.

(Note 6) The investment of \$46,412 thousand is from the operating capital of D-Link Asia, so the accumulated investment amount from Taiwan is excluded at the end of the period.

(Note 7) Alpha indirectly investment the subsidiary Mingzhen (Changshu) has liquidated all rights and obligations on July 23, 2018 and cancelled the registration. Accumulated outflow of \$164,622 thousand is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

(Note 8) The above amounts have been eliminated when preparing the consolidated financial statements.

3. Significant transactions with investee companies in Mainland China:

The transactions between Alpha and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

L.Hitron Technologies Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of September 30, 2021 (Note 5)	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
Hitron Suzhou	Production and sale of broadband telecommunications products	641,763	(Note 1)	641,763	-	-	641,763	(159,924)	100.00%	(159,924)	553,873	-
Jietech Suzhou	Sale of broadband network products and related services	57,473	(Note 1)	57,473	-	-	57,473	(751)	100.00%	(751)	29,729	-
Hwa Chi Technologies	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	5,814	(Note 1)	12,048	-	-	12,048	1,785	43.10% (Note 3 and 4)	769	6,505	21,314

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Hitron Technologies	711,284	711,284	2,806,045

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the reviewed financial statements by the auditors of Hitron Technologies.

(Note 3) Hwa Chi is a reinvestment company in China which formerly invested by Hitron (Samoa), however, Hwa Chi has been 100% owned by Interactive Digital due to the Group's restructuring decision resolved in year 2012.

(Note 4) This refers to the direct or indirect shares holding by Hitron technologies.

(Note 5) The above amounts have been eliminated when preparing the consolidated financial statements.

3. Significant transactions with investee companies in Mainland China:

The transactions between Hitron Technologies and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

M.Topview Optronics Corporation

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
Topview	5,067 (USD 182)	5,067 (USD 182)	649,873

(Note 1) The amount USD \$182 thousands is the authorized amount for the liquidated investee in the previous year, which the cancellation has not been applied.

(Note 2) Pursuant to “Principle of Investment or Technical Cooperation in Mainland China”, investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$27.84.

3. Significant transactions with investee companies in Mainland China:

The transactions between Topview and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.